



**Office of the Mayor  
The City of Harrisburg**

**City Government Center  
10 North Second St  
Harrisburg, PA 17101-1678**

**Stephen R. Reed  
Mayor**

**(717) 255-3040**

**July 15, 2009**

**US Department of Housing and Urban Development  
Office of Block Grant Assistance  
NSP 2 Applications, Room 7286  
451 Seventh Street, SW  
Washington, DC 20410**

**To Whom It May Concern:**

**I am pleased to submit today the enclosed application for assistance under the Neighborhood Stabilization Program 2 to address the issue of foreclosure and abandonment in Pennsylvania's capital city.**

**The City of Harrisburg, since 1982, has worked strategically to address blight and abandonment in our residential neighborhoods and commercial corridors. In this time, the City has focused the resources through the Community Development Block Grant and HOME Investment Partnership entitlement programs to rehabilitate vacant and blighted single-family homes and assemble land for new development and the creation of homeownership opportunities. We have assisted homeowners to maintain and retain their homes by addressing emergency and property maintenance code violations. The City has maintained a demolition crew – the first of its kind in the Commonwealth – to remove blighted properties plaguing our neighborhoods.**

**The current housing market conditions and foreclosure crisis has challenged the nation and has challenged the City of Harrisburg. Neighborhoods have been impacted by additional blight and abandonment. Through this application, we seek to continue the success of the CDBG and HOME programs to directly impact those communities where foreclosure has hit hardest in the Uptown and Allison Hill neighborhoods of the City through rehabilitation of vacant foreclosed upon homes, construction of green single-family homes for homeownership opportunities, demolition of vacant, blighted properties, and acquisition of foreclosed properties for future development.**

**The City of Harrisburg looks forward to the HUD's continued support and the meaningful implementation of the Neighborhood Stabilization Program.**

**US Department of Housing and Urban Development**  
**July 15, 2009**  
**Page 2**

**With warmest personal regards, I am**

**Yours sincerely,**

A handwritten signature in black ink, appearing to read "Stephen R. Reed". The signature is written in a cursive, somewhat stylized font.

**Stephen R. Reed**  
**Mayor**

**SRR/kap**

**cc: Daniel C. Leppo**  
**Kathy Possinger**

**APPLICATION FOR  
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

|   |  |   |                              |
|---|--|---|------------------------------|
| <b>1. TYPE OF SUBMISSION:</b><br>Application<br><input type="checkbox"/> Construction<br><input checked="" type="checkbox"/> Non-Construction | <input type="checkbox"/> Pre-application<br><input type="checkbox"/> Construction<br><input type="checkbox"/> Non-Construction | <b>2. DATE SUBMITTED</b><br><br>                  | Applicant Identifier         |
|   |  | <b>3. DATE RECEIVED BY STATE</b><br><br>          | State Application Identifier |
|   |  | <b>4. DATE RECEIVED BY FEDERAL AGENCY</b><br><br> | Federal Identifier           |

**5. APPLICANT INFORMATION**

|  |   |
|--|---|
| <b>Legal Name:</b><br>City of Harrisburg, Pennsylvania       | <b>Organizational Unit:</b><br>Department:<br>Department of Building and Housing Development  |
| <b>Organizational DUNS:</b><br>071211478                     | <b>Division:</b><br>Housing   |
| <b>Address:</b><br>Street:<br>10 North 2nd Street, Suite 206 | <b>Name and telephone number of person to be contacted on matters involving this application (give area code)</b><br>Prefix: First Name:<br>Kathy |
| City:<br>Harrisburg  | Middle Name<br>Ann  |
| County:<br>Dauphin   | Last Name<br>Possinger  |
| State:<br>PA   | Zip Code<br>17101   |
| Country:<br>US   | Email:<br>kpossinger@cityofhbg.com  |

|   |   |   |
|---|---|---|
| <b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b><br>23-6002010 | Phone Number (give area code)<br>717-255-3054 | Fax Number (give area code)<br>717-255-6421 |
|---|---|---|

|   |   |
|---|---|
| <b>8. TYPE OF APPLICATION:</b><br><input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision<br>If Revision, enter appropriate letter(s) in box(es)<br>(See back of form for description of letters.)<br>Other (specify) | <b>7. TYPE OF APPLICANT:</b> (See back of form for Application Types)<br>C - Municipal<br>Other (specify) |
|---|---|

|   |  |
|---|--|
| <b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b><br>14-256<br>TITLE (Name of Program):<br>Neighborhood Stabilization Program - 2 | <b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b><br>Acquisition and rehabilitation of vacant, foreclosed properties combined with targeted demolition and reconstruction (new construction) in targeted neighborhoods. |
|---|--|

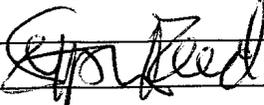
|  |   |
|--|---|
| <b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b><br>City of Harrisburg, Pennsylvania | <b>9. NAME OF FEDERAL AGENCY:</b><br>US Department of Housing and Urban Development |
|--|---|

|  |  |
|--|--|
| <b>13. PROPOSED PROJECT</b><br>Start Date: 02/01/2010    Ending Date: 12/31/2012 | <b>14. CONGRESSIONAL DISTRICTS OF:</b><br>a. Applicant 17    b. Project 17 |
|--|--|

|  |                             |                            |              |                            |          |                  |          |                  |          |                          |                   |                  |          |                             |  |
|--|-----------------------------|----------------------------|--------------|----------------------------|----------|------------------|----------|------------------|----------|--------------------------|-------------------|------------------|----------|-----------------------------|--|
| <b>15. ESTIMATED FUNDING:</b> <table border="1"> <tr> <td>a. Federal</td> <td>\$ 7,258,901<sup>00</sup></td> </tr> <tr> <td>b. Applicant</td> <td>\$ 5,409,319<sup>00</sup></td> </tr> <tr> <td>c. State</td> <td>\$ <sup>00</sup></td> </tr> <tr> <td>d. Local</td> <td>\$ <sup>00</sup></td> </tr> <tr> <td>e. Other</td> <td>\$ 114,984<sup>00</sup></td> </tr> <tr> <td>f. Program Income</td> <td>\$ <sup>00</sup></td> </tr> <tr> <td>g. TOTAL</td> <td>\$ 12,813,204<sup>00</sup></td> </tr> </table> | a. Federal                  | \$ 7,258,901 <sup>00</sup> | b. Applicant | \$ 5,409,319 <sup>00</sup> | c. State | \$ <sup>00</sup> | d. Local | \$ <sup>00</sup> | e. Other | \$ 114,984 <sup>00</sup> | f. Program Income | \$ <sup>00</sup> | g. TOTAL | \$ 12,813,204 <sup>00</sup> | <b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b><br>a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:<br>b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372<br><input checked="" type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW |
| a. Federal   | \$ 7,258,901 <sup>00</sup>  |                            |              |                            |          |                  |          |                  |          |                          |                   |                  |          |                             |  |
| b. Applicant   | \$ 5,409,319 <sup>00</sup>  |                            |              |                            |          |                  |          |                  |          |                          |                   |                  |          |                             |  |
| c. State   | \$ <sup>00</sup>            |                            |              |                            |          |                  |          |                  |          |                          |                   |                  |          |                             |  |
| d. Local   | \$ <sup>00</sup>            |                            |              |                            |          |                  |          |                  |          |                          |                   |                  |          |                             |  |
| e. Other   | \$ 114,984 <sup>00</sup>    |                            |              |                            |          |                  |          |                  |          |                          |                   |                  |          |                             |  |
| f. Program Income  | \$ <sup>00</sup>            |                            |              |                            |          |                  |          |                  |          |                          |                   |                  |          |                             |  |
| g. TOTAL   | \$ 12,813,204 <sup>00</sup> |                            |              |                            |          |                  |          |                  |          |                          |                   |                  |          |                             |  |

**17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?**  
 Yes If "Yes" attach an explanation.     No

**18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.**

|  |  |                                  |
|--|--|----------------------------------|
| <b>a. Authorized Representative</b>  |  |                                  |
| Prefix<br>Last Name<br>Read  | First Name<br>Stephen                                | Middle Name<br>Russell<br>Suffix |
| b. Title<br>Mayor  | c. Telephone Number (give area code)<br>717-255-3040 |                                  |
| d. Signature of Authorized Representative<br> |  | e. Date Signed<br>7-15-09        |

# SURVEY ON ENSURING EQUAL OPPORTUNITY FOR APPLICANTS

OMB No. 1890-0014 Exp. 2/28/2009

**Purpose:** The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal funds, we are asking nonprofit private organizations (not including private universities) to fill out this survey.

Upon receipt, the survey will be separated from the application. Information provided on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of this survey is voluntary.

**Instructions for Submitting the Survey:** If you are applying using a hard copy application, please place the completed survey in an envelope labeled "Applicant Survey." Seal the envelope and include it along with your application package. If you are applying electronically, please submit this survey along with your application.

Applicant's (Organization) Name: City of Harrisburg, PA

Applicant's DUNS Number: 071211478

Grant Name: Neighborhood Stabilization Program CFDA Number: 14-256

1. Does the applicant have 501(c)(3) status?  
 Yes  No
2. How many full-time equivalent employees does the applicant have? (Check only one box).  
 3 or Fewer  15-50  
 4-5  51-100  
 6-14  over 100
3. What is the size of the applicant's annual budget? (Check only one box.)  
 Less Than \$150,000  
 \$150,000 - \$299,999  
 \$300,000 - \$499,999  
 \$500,000 - \$999,999  
 \$1,000,000 - \$4,999,999  
 \$5,000,000 or more
4. Is the applicant a faith-based/religious organization?  
 Yes  No
5. Is the applicant a non-religious community-based organization?  
 Yes  No
6. Is the applicant an intermediary that will manage the grant on behalf of other organizations?  
 Yes  No
7. Has the applicant ever received a government grant or contract (Federal, State, or local)?  
 Yes  No
8. Is the applicant a local affiliate of a national organization?  
 Yes  No

City of Harrisburg, Pennsylvania  
Neighborhood Stabilization Program – 2 Program Summary  
***Application ID#: 252912682***

The City of Harrisburg seeks to utilize Neighborhood Stabilization Program 2 funds to assist in reversing the trend of disinvestment, destabilization and deterioration in two targeted neighborhoods – Uptown and Allison Hill. Since 1982 the City has worked strategically to address blight and abandonment in our residential neighborhoods and commercial corridors. In this time, the City has focused the resources through the Community Development Block Grant and HOME Investment Partnership entitlement programs to rehabilitate vacant and blighted single-family homes and assemble land for new development and the creation of homeownership opportunities. We have assisted homeowners to maintain and retain their homes by addressing emergency and property maintenance code violations. The City has maintained a demolition crew – the first of its kind in the Commonwealth – to remove blighted properties plaguing our neighborhoods.

The current housing market conditions and foreclosure crisis has challenged the nation and has challenged the City of Harrisburg. Neighborhoods have been impacted by additional blight and abandonment. Through this application, we seek to continue the success of the CDBG and HOME programs to directly impact those communities where foreclosure has hit hardest in the Uptown and Allison Hill neighborhoods of the City through rehabilitation of vacant foreclosed upon homes, construction of green single-family homes for homeownership opportunities, demolition of vacant, blighted properties, and acquisition of foreclosed properties for future development.

Through this application, the city will specifically address neighborhood stabilization in four distinct ways.

**Rehabilitation:** The City of Harrisburg will acquire single family housing units in foreclosure in targeted city neighborhoods consistent with Priority Needs Areas identified with a HUD Risk Score of 7 or greater. Using existing procedures for rehabilitation of these units, properties will be evaluated by City rehabilitation staff and rehabilitated to meet the 2006 International Building Code standards. Rehabilitated units will be listed for sale to households meeting income standards established by the NSP2 Action Plan. 25% of units will be priced and reserved for sale to households earning less than 50% of the area median income. HOME guidelines for long-term affordability will be followed for all activities in this NSP2 Proposal. Affordability will be secured by a Mortgage and Note filed with the deed.

**Demolition:** Through the Bureau of Codes, each vacant property is graded based on the integrity of the structure, impact on adjoining properties and location within a target neighborhood of the city. 250 properties in the City have been identified by the Bureau of Codes as priorities for demolition based upon their imminent danger of collapse, structural instability, damage to adjoining structures, and accessibility as an attractive nuisance. Although an attainable number, with abandonment, disinvestment, and deterioration of vacant structures not slated for demolition, this number never reaches zero. (The acquisition and rehabilitation activity funded through CDBG and NSP2 seek to assist in addressing this factor.)

City of Harrisburg, Pennsylvania  
Neighborhood Stabilization Program – 2 Program Summary  
***Application ID#: 252912682***

Preliminarily, 40 properties have been identified for demolition through the NSP2. All structures identified are in low income neighborhoods and have been the subject of complaint by residents and community organizations. In most cases, subject properties are directly recommended by community residents. Although typically a slum and blight removal activity, demolition under the NSP2 will be classified to benefit the low-income Uptown and Allison Hill communities as an area benefit.

**Acquisition:** The City, in conjunction with the Harrisburg Redevelopment Authority, will seek to acquire up to 20 vacant blighted foreclosed properties for the purpose of establishing a land bank for future development.

**New Construction:** Through the NSP2, the City will work in partnership with two non-profit housing development organizations to build affordable green housing for homeownership opportunities. A total of 23 new, single-family units will occupy properties vacant through demolition and acquired through condemnation and tax foreclosure.

- With the proposed Energy Star Neighborhood, Habitat for Humanity will construct seven (10) new single-family townhomes at the intersection of Jefferson and Woodbine Streets in the City's Uptown neighborhood (Census Tract 207).
- Through the NSP2 the City of Harrisburg partnering with Tri-County HDC also proposes to produce five new Energy-Star Certified homes for sale to low and moderate income families. Through the construction of Energy-Star certified green homes, families who earn between 0-80% of the area median income will have the opportunity to purchase high quality, affordable homes that are both healthier and more energy efficient than conventional construction.

# Instructions for Paper Submission of Threshold Elements

The foreclosure need map is working well and many applicants have already received their unique application numbers from the system. However, some applicants are experiencing difficulty completing the online submission or completing it in a timely manner. In accordance with the General Section (III.A.3.b) of the NSP2 NOFA, HUD is providing these instructions for applicants that cannot complete the electronic submission of the threshold need and capacity elements.

## Step 1 - Affirm

To indicate that you have the ability to expend an NSP2 grant within the statutory deadlines, you must affirm here and then demonstrate in your paper submission that you have successfully carried out and completed activities relevant to each NSP2 activity you propose to carry out and involving at least 75 units of housing within the 24-month period immediately preceding May 4, 2009.

By signing this affirmation, you are making the Notice's required threshold affirmation which you must then submit to HUD with your paper application.

If you are using this alternative submission method, the unique application number that you must prominently display on your application is "NSP2-PTA" followed by your DUNS number.

Print, sign, and date the following affirmation:

### Affirmation

In accordance with section II.B.7. of the May 4, 2009, Notice of Fund Availability (NOFA) for the Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, I state that I am the official representative for an applicant for NSP2 funds and I affirm that the applicant has successfully carried out and completed activities 1) relevant to each NSP2 activity it proposes to carry out and 2) involving at least 75 units of housing within the 24-month period immediately preceding May 4, 2009.

Signed:



Date: 7/16/09

## Step 2 - Download, print, copy

Download the data for your proposed target geography from <http://www.huduser.org/nspgis/nsp.html> and create a spreadsheet containing only the data for your selected census tracts and including all columns in the same format and column order as the downloaded files. Print out the data and also copy it to a data CD. Submit both the paper print out and the data CD to HUD along with your paper submission.

**City of Harrisburg, PA**  
**Neighborhood Stabilization Program 2**  
**Application ID#: 252912682**

Uptown Target Area - Harrisburg

| Census Tract      | State | NFORECLOSE | NVACANCY | NMAX |
|-------------------|-------|------------|----------|------|
| 42043020700       | PA    | 17         | 20       | 20   |
| 42043020800       | PA    | 13         | 16       | 16   |
| 42043020600       | PA    | 10         | 18       | 18   |
| Average Max Score |       |            |          | 18   |
| Qualified         |       |            |          |      |

Allison Hill Target Area - Harrisburg

| Census Tract      | State | NFORECLOSE | NVACANCY | NMAX |
|-------------------|-------|------------|----------|------|
| 42043021300       | PA    | 16         | 19       | 19   |
| 42043021200       | PA    | 17         | 20       | 20   |
| 42043021500       | PA    | 15         | 17       | 17   |
| 42043021600       | PA    | 16         | 18       | 18   |
| Average Max Score |       |            |          | 18.5 |
| Qualified         |       |            |          |      |

Grant Application Detailed Budget Worksheet

(Exp. 03/31/2011)

**Name and Address of Applicant:** City of Harrisburg  
 Department of Building and Housing Development  
 10 N. 2nd Street  
 Harrisburg, PA 17101

Public reporting burden for this collection of information is estimated to average 3 hours 12 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to provide this information, unless it displays a currently valid OMB control number. Information collected will provide proposed budget data for multiple programs. HUD will use this information in the selection of applicants. Response to this request for information is required in order to receive the benefits to be derived. The information requested does not lend itself to confidentiality.

| Detailed Description of Budget (for full grant period) |                 |               |                |           |                 |                 |                     |             |                    |       |                |
|--|-----------------|---------------|----------------|-----------|-----------------|-----------------|---------------------|-------------|--------------------|-------|----------------|
| Category   | Estimated Hours | Rate per Hour | Estimated Cost | HUD Share | Applicant Match | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| <b>1. Personnel (Direct Labor)</b>                     |                 |               |                |           |                 |                 |                     |             |                    |       |                |
| Position or Individual                                 |                 |               |                |           |                 |                 |                     |             |                    |       |                |
| Deputy Director (10%)                                  | 624             | \$29.56       | \$18,445       | \$18,445  |                 |                 |                     |             |                    |       |                |
| Rehab Spec (2) (15%)                                   | 1,755           | \$20.22       | \$35,486       |           |                 | 35,486          |                     |             |                    |       |                |
| Project Director (Livingston) (50%)                    | 3,120           | \$25.48       | \$79,498       |           |                 | \$79,498        |                     |             |                    |       |                |
| Grants Officer (25%)                                   | 1,560           | \$20.19       | \$31,496       | \$31,496  |                 |                 |                     |             |                    |       |                |
| Project Officer (50%)                                  | 3,120           | \$16.35       | \$51,012       | \$51,012  |                 |                 |                     |             |                    |       |                |
| Total Direct Labor Cost                                |                 |               | \$215,938      | \$100,954 | \$0             | \$114,984       | \$0                 |             |                    |       |                |
| <b>2. Fringe Benefits</b>                              |                 |               |                |           |                 |                 |                     |             |                    |       |                |
| Direct: SS, Health/drug/vision                         |                 | Rate (%)      | Estimated Cost | HUD Share | Applicant Match | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
|  |                 | 29.00%        | \$62,622       | \$29,277  | \$0             | \$33,345        | \$0                 |             |                    |       |                |
| Total Fringe Benefits Cost                             |                 |               | \$62,622       | \$29,277  | \$0             |                 |                     |             |                    |       |                |
| <b>3. Travel</b>                                       |                 |               |                |           |                 |                 |                     |             |                    |       |                |
| 3a. Transportation - Local Private Vehicle             | Mileage         | Rate per Mile | Estimated Cost | HUD Share | Applicant Match | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| Inspections, Worksite trips                            | 8750            | \$0.505       | \$4,419        | \$0       | \$4,419         |                 |                     |             |                    |       |                |
| Subtotal - Trans - Local Private Vehicle               |                 |               | \$4,419        | \$0       | \$4,419         |                 |                     |             |                    |       |                |



Grant Application Detailed Budget Worksheet

(Exp. 03/31/2011)

Detailed Description of Budget

| Detailed Description of Budget                                    |          |              |                |              |                 |                 |                     |             |                    |       |                |
|---|----------|--------------|----------------|--------------|-----------------|-----------------|---------------------|-------------|--------------------|-------|----------------|
| 5. Supplies and Materials (Items under \$5,000 Depreciated Value) |          |              |                |              |                 |                 |                     |             |                    |       |                |
|   | Quantity | Unit Cost    | Estimated Cost | HUD Share    | Applicant Match | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| 5a. Consumable Supplies   |          |              |                |              | \$0             |                 |                     |             |                    |       |                |
| Subtotal - Consumable Supplies                                    |          |              | \$0            | \$0          | \$0             |                 |                     |             |                    |       |                |
| 5b. Non-Consumable Materials                                      | Quantity | Unit Cost    | Estimated Cost | HUD Share    |                 |                 |                     |             |                    | Other | Program Income |
| Subtotal - Non-Consumable Materials                               |          |              | \$0            | \$0          |                 |                 |                     |             |                    |       |                |
| <b>Total Supplies and Materials Cost</b>                          |          |              | \$0            | \$0          |                 |                 |                     |             |                    |       |                |
| 6. Consultants (Type)   | Days     | Rate per Day | Estimated Cost | HUD Share    | Applicant Match | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| Labor Prevailing Wage Consultant                                  |          |              | \$ 10,000.00   | \$ 10,000.00 |                 |                 |                     |             |                    |       |                |
| Environmental Review  |          |              | \$10,000       | \$10,000     |                 |                 |                     |             |                    |       |                |
| <b>Total Consultants Cost</b>                                     |          |              | \$20,000       | \$20,000     | \$0             |                 |                     |             |                    |       |                |
| 7. Contracts and Sub-Grantees (List Individual)                   | Quantity | Unit Cost    | Estimated Cost | HUD Share    | Applicant Match | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| Habitat for Humanity of Greater Harrisburg                        | 10       | \$125,274.00 | \$1,252,740    | \$1,252,740  | 188030          |                 |                     |             |                    |       |                |
| Tri County HDC, Ltd.  | 3        | \$213,528.00 | \$640,584      | \$640,584    | \$4,860,870     |                 |                     |             |                    |       |                |
| Tri County HDC, Ltd.  | 10       | \$50,000.00  | \$500,000      | \$500,000    |                 |                 |                     |             |                    |       |                |
| <b>Total Subcontracts Cost</b>                                    |          |              | \$2,393,324    | \$2,393,324  | \$5,048,900     |                 |                     |             | \$0                |       |                |

Grant Application Detailed Budget Worksheet

(Exp. 03/31/2011)

Detailed Description of Budget

| 8. Construction Costs                                    | Quantity | Unit Cost | Estimated Cost | HUD Share | Applicant Match | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
|--|----------|-----------|----------------|-----------|-----------------|-----------------|---------------------|-------------|--------------------|-------|----------------|
| <b>8a. Administrative and legal expenses</b>             |          |           |                |           |                 |                 |                     |             |                    |       |                |
| Land Bank/Legal/Title Clearance                          | 20       | \$2,500   | \$50,000       | \$50,000  |                 |                 |                     |             |                    |       |                |
| Marketing/Advertising                                    |          | 10000     | \$10,000       | 10000     |                 |                 |                     |             |                    |       |                |
| Printing   |          | 4000      | \$4,000        | 4000      |                 |                 |                     |             |                    |       |                |
| Postage  |          | 1600      | \$1,600        | 1600      |                 |                 |                     |             |                    |       |                |
| Misc. Office   |          | 2700      | \$2,700        | 2700      |                 |                 |                     |             |                    |       |                |
| Subtotal - Administrative and legal expenses             |          |           | \$68,300       | \$68,300  | \$0             |                 |                     |             |                    |       |                |
| <b>8b. Land, structures, rights-of way, appraisal, e</b> |          |           |                |           |                 |                 |                     |             |                    |       |                |
| Acquisition/Land Bank                                    | 20       | \$17,500  | \$350,000      | 350000    |                 |                 |                     |             |                    |       |                |
| Subtotal - Land, structures, rights-of way, ...          |          |           | \$350,000      | \$350,000 | \$0             |                 |                     |             |                    |       |                |
| <b>8c. Relocation expenses and payments</b>              |          |           |                |           |                 |                 |                     |             |                    |       |                |
| Subtotal - Relocation expenses and payments              |          |           | \$0            | \$0       | \$0             |                 |                     |             |                    |       |                |
| <b>8d. Architectural and engineering fees</b>            |          |           |                |           |                 |                 |                     |             |                    |       |                |
| Subtotal - Architectural and engineering fees            |          |           | \$0            | \$0       | \$0             |                 |                     |             |                    |       |                |
| <b>8e. Other architectural and engineering fees</b>      |          |           |                |           |                 |                 |                     |             |                    |       |                |
| Subtotal - Other architectural and engineering fees      |          |           | \$0            | \$0       | \$0             |                 |                     |             |                    |       |                |

**Grant Application Detailed Budget Worksheet**

(Exp. 03/31/2011)

|                                     | Quantity | Unit Cost | Estimated Cost | HUD Share   | Applicant Match | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
|-------------------------------------|----------|-----------|----------------|-------------|-----------------|-----------------|---------------------|-------------|--------------------|-------|----------------|
| <b>8f. Project inspection fees</b>  |          |           |                |             |                 |                 |                     |             |                    |       |                |
| Included in consultants costs       |          |           |                |             |                 |                 |                     |             |                    |       |                |
| Subtotal - Project inspection fees  |          |           | \$0            | \$0         |                 | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| <b>8g. Site work</b>                |          |           |                |             |                 |                 |                     |             |                    |       |                |
| Subtotal - Site work                |          |           | \$0            | \$0         |                 | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| <b>8h. Demolition and removal</b>   |          |           |                |             |                 |                 |                     |             |                    |       |                |
| Demolition of hazardous structures  | 40       | 21400     | \$856,000      | 720000      | \$136,000       | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| Subtotal - Demolition and removal   |          |           | \$856,000      | \$720,000   | \$136,000       | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| <b>8i. Construction</b>             |          |           |                |             |                 |                 |                     |             |                    |       |                |
| Rehabilitation of Vacant Structures | 20       | 188000    | \$3,760,000    | \$3,400,000 | \$220,000       | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| Subtotal - Construction             |          |           | \$3,760,000    | \$3,400,000 | \$220,000       | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| <b>8j. Equipment</b>                |          |           |                |             |                 |                 |                     |             |                    |       |                |
| Subtotal - Equipment                |          |           | \$0            | \$0         | \$0             | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
| <b>8k. Contingencies</b>            |          |           |                |             |                 |                 |                     |             |                    |       |                |
| Subtotal - Contingencies            |          |           | \$0            | \$0         | \$0             | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |

Grant Application Detailed Budget Worksheet

(Exp. 03/31/2011)

|                                 | Quantity | Unit Cost | Estimated Cost | HUD Share   | Applicant Match | Other HUD Funds | Other Federal Share | State Share | Local/Tribal Share | Other | Program Income |
|---------------------------------|----------|-----------|----------------|-------------|-----------------|-----------------|---------------------|-------------|--------------------|-------|----------------|
| <b>8. Miscellaneous</b>         |          |           |                |             |                 |                 |                     |             |                    |       |                |
| Subtotal - Miscellaneous        |          |           | \$0            |             | \$220,000       | \$0             | \$0                 | \$0         | \$0                | \$0   |                |
| <b>Total Construction Costs</b> |          |           | \$0            |             | \$220,000       | \$0             | \$0                 | \$0         | \$0                | \$0   |                |
| <b>9. Other Direct Costs</b>    |          |           |                |             |                 |                 |                     |             |                    |       |                |
| Subtotal - Other Direct Costs   |          |           |                |             |                 |                 |                     |             |                    |       |                |
| <b>Total Other Direct Costs</b> |          |           | \$0            |             | \$0             |                 |                     |             |                    | \$0   |                |
| <b>Subtotal of Direct Costs</b> |          |           | \$7,730,602    | \$7,081,854 | \$5,409,319     | \$114,984       | \$0                 | \$0         | \$0                | \$0   | \$0            |
| <b>10. Indirect Costs</b>       |          |           |                |             |                 |                 |                     |             |                    |       |                |
| City Indirect costs             | Type     | Rate      | Estimated Cost | HUD Share   |                 |                 |                     |             |                    |       |                |
|                                 |          | 0.025     | \$177,046      | \$177,046   |                 |                 |                     |             |                    |       |                |
| <b>Total Indirect Costs</b>     |          |           | \$177,046      | \$177,046   |                 |                 |                     |             |                    |       |                |
| <b>Total Estimated Costs</b>    |          |           | \$7,907,649    | \$7,258,901 | \$5,409,319     | \$114,984       | \$0                 | \$0         | \$0                | \$0   | \$0            |

**Grant Application Detailed Budget** U.S. Department of Housing and Urban Development **OMB Approval No. 2501-0017 (exp. 03/31/2011)**

| Name of Project/Activity:                               | Functional Categories |                             |                             |                             |                         |                                |                   |                            |               | Total |
|---|-----------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|--------------------------------|-------------------|----------------------------|---------------|-------|
|   | Column 1<br>HUD Share | Column 2<br>Applicant Match | Column 3<br>Other HUD Funds | Column 4<br>Other Fed Share | Column 5<br>State Share | Column 6<br>Local/Tribal Share | Column 7<br>Other | Column 8<br>Program Income | Column 9      |       |
| a. Personnel (Direct Labor)                             | \$ 100,954            | \$                          | \$ 114,984                  | \$                          | \$                      | \$                             | \$                | \$                         | \$ 215,938.00 |       |
| b. Fringe Benefits                                      | 29,277.00             |                             | 33,345.00                   |                             |                         |                                |                   |                            | 62,622.00     |       |
| c. Travel   |                       | 4,419.00                    |                             |                             |                         |                                |                   |                            | 4,419.00      |       |
| d. Equipment (only items > \$5,000 depreciated value)   |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| e. Supplies (only items w/depreciated Value < \$5,000 ) |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| f. Contractual  | 2,413,324             | 5,048,900                   |                             |                             |                         |                                |                   |                            | 7,462,224.00  |       |
| g. Construction   |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| 1. Administration and legal expenses                    | 68,300.00             |                             |                             |                             |                         |                                |                   |                            | 68,300.00     |       |
| 2. Land, structures, rights-of way, appraisals, etc.    | 350,000               |                             |                             |                             |                         |                                |                   |                            | 350,000.00    |       |
| 3. Relocation expenses and payments                     |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| 4. Architectural and engineering fees                   |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| 5. Other architectural and engineering fees             |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| 6. Project inspection fees                              |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| 7. Site work  |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| 8. Demolition and removal                               | 720,000               | 136,000                     |                             |                             |                         |                                |                   |                            | 856,000.00    |       |
| 9. Construction   | 3,400,000             | 220,000                     |                             |                             |                         |                                |                   |                            | 3,620,000.00  |       |
| 10. Equipment   |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| 11. Contingencies                                       |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| 12. Miscellaneous                                       |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| h. Other (Direct Costs)                                 |                       |                             |                             |                             |                         |                                |                   |                            | 0.00          |       |
| i. Subtotal of Direct Costs                             |                       |                             |                             |                             |                         |                                |                   |                            | 12,639,503.0  |       |
| j. Indirect Costs (% Approved Indirect Cost Rate: 0 %)  |                       |                             |                             |                             |                         |                                |                   |                            | 177,046.00    |       |
| <b>Grand Total (Year: ):</b>                            |                       |                             |                             |                             |                         |                                |                   |                            | 12,816,549    |       |
| <b>Grand Total (All Years):</b>                         |                       |                             |                             |                             |                         |                                |                   |                            |               |       |

**Rating Factor 1: Need/Extent of the Problem**

**a. Target Geography**

The City of Harrisburg will target to distinct neighborhoods for assistance under the Neighborhood Stabilization Program 2 (NSP2) – Allison Hill and Uptown Harrisburg.

For the purposes of the NSP2, Uptown is defined by Census Tracts 206, 207, and 208 and Allison Hill is defined by Census Tracts 212, 213, 215 and 216. The table below shows the foreclosure and vacancy scores for the targeted census tracts. Also included is the percent of the population less than 120% AMI and HMDA High Cost Loan rate by Census Tract and block group.

| Census Tract | Foreclosure Score | Vacancy Score | Max Score | Percent less than 120% AMI | HMDA High Cost Loan Rate (%) | USPS Vacancy Rate |
|--------------|-------------------|---------------|-----------|----------------------------|------------------------------|-------------------|
| 206          | 10                | 18            | 18        | 96                         | 33                           | 19                |
| 207          | 17                | 20            | 20        | 79                         | 72                           | 21                |
| 208          | 13                | 16            | 16        | 75                         | 42                           | 9                 |
| 212          | 17                | 20            | 20        | 79                         | 72                           | 17                |
| 213          | 16                | 19            | 19        | 91                         | 61                           | 12                |
| 215          | 15                | 17            | 17        | 76                         | 54                           | 6                 |
| 216          | 16                | 18            | 18        | 81                         | 60                           | 10                |

*Source: US Department of Housing and Urban Development*

The City of Harrisburg has documented through utility records over 1500 vacant and/or abandoned residential units City-wide, representing nearly 7% of the total residential housing stock. The concentration of City resources - including CDBG resources - over the past ten years has been used to target these properties having the greatest impact on surrounding residents and communities through Code Enforcement and acquisition and rehabilitation activities. The new foreclosure and abandonment crisis has impacted the extent of the vacancy and abandonment rate, therefore plaguing middle market and low-income neighborhoods in a new and much more challenging way. Once viable neighborhoods, in recent years the Uptown and Allison Hill neighborhoods have been plagued by high instances of crime and vandalism. Neighborhoods, which, five years ago, where we would have seen development and investment on the upswing are now stagnated. Lending institutions, which have never historically been in the business of property ownership and management, have allowed properties to deteriorate with no local presence or responsiveness.

**UPTOWN Target Area**

The Uptown Neighborhood is a community which has borne the burden of decades of disinvestment, outmigration, property abandonment and other forms of urban blight. While the City of Harrisburg has made great strides towards the reversal of these trends in recent times, much

remains to be achieved. The primary objective of the Neighborhood Action Strategy is to maintain the forward momentum of Harrisburg's progress against such blight and to promote the emergence of a stronger, more vital Neighborhood.

### **Economic Need**

The residents of the Uptown area are among the most poverty-stricken in the City of Harrisburg: 32 percent live at or below the federally determined poverty level. This compares to 27 percent city wide and 10 percent within Dauphin County.

The Uptown area is part of the Federally-designated Enterprise Community (EC). According to the EC Strategic Action Plan, there are numerous unmet economic needs within the Community. Lack of access to employment, job-training and entrepreneurial opportunities is primary among these needs. The Uptown area experiences one of the highest unemployment rates within the City of Harrisburg, over 15 percent.

The annual median Household Income in Uptown (\$17,798) is 13 percent less than Citywide Household Income (\$20,329), 42 percent less than surrounding Dauphin County (\$31,000), and 39 percent lower than that of the State (\$29,000).

A wide-range of commercial shopping opportunities are inaccessible to many community residents, who must rely on walking and public transit. This represents an economic hardship, in the form of limited goods and services, sometimes with poor quality and inflated prices. The addition of taxi fare, when no other form of transportation is available, poses a further economic burden.

Among adults age 25 and over who reside in Uptown, 82 percent have an educational attainment of a high school diploma or less. This contrasts unfavorably to 68.5 percent citywide, 63.9 percent statewide and 54.7 percent nationally. Only 18 percent have some college education or a college degree, again in stark contrast to 31.5 percent citywide, 36 percent statewide and 45 percent nationally. Lack of educational attainment is increasingly linked to lack of economic success in the increasingly global, technology-driven marketplace. Local Manufacturing and Construction industry employment has declined by 9 percent from 1960 to 2009. This is reflective of national trends in the "blue collar" sector. Typically, lower paid "service sector" jobs have become the alternative for low-skill workers.

### **Social Need**

The total population of the Uptown area has experienced substantial decline during the past 30 years. Census Tract 207 declined by 48.8 percent, losing a total of 2,656 residents between the 1960 and the 1990 Census periods. Adjacent Census Tract 206 declined by 74.3 percent, from a 1960 population of 6,792 to a 1990 population of 1,744. This was the largest population loss of any City Census Tract during this time period.

The Uptown Neighborhood contains a high proportion of the City's population of youth and children: 32.6 percent of the Uptown population is under age 18, as compared to 26.9 percent Citywide. A very high proportion of Uptown youngsters, 51 percent, live at or below the poverty level. These demographic indicators often signal social stress, resulting in crime, drug abuse, teen pregnancy, high dropout rate and other destabilizing factors, confirmed by actual conditions in the area.

### **Physical Development Need**

As a result of substantial population decline (noted above), the Uptown area contains a high percentage of vacant residential units, 18 percent, in comparison with the Citywide figure of 12 percent. Many of these structures are in need of rehabilitation, while demolition may be the only option for others. Some pose a potential threat to health and safety. City-directed demolition efforts are limited by the availability of Federal funding. Typical residential demolition costs range from \$16,000 to \$20,000 per unit. In spite of ongoing City Code Enforcement effort, State law limits the degree to which absentee landlords are held accountable for the physical deterioration of their property and resulting blight.

### **ALLISON HILL Target Area**

Much like Uptown, Allison Hill has also seen decades of disinvestment, outmigration, property abandonment and other forms of urban blight.

### **Economic Need**

The residents of Allison Hill are among the most poverty-stricken in the City of Harrisburg: 40 percent live at or below the federally determined poverty level. This compares to 27 percent city wide and 10 percent within Dauphin County.

According to the Strategic Action Plan of the Federal Enterprise Community, there are numerous unmet economic needs, in the form of basic commercial goods and services which are unavailable to residents of the community. Since many residents rely on walking and public transit, this represents an added economic hardship, in the form of limited goods and services, sometimes at inflated prices.

### **Social Need**

The population level of the Allison Hill area has experienced a 27 percent decline from 1960 Census to the 2000 Census.

The area contains a high percentage of vacant residential units and a lower rate of Owner-occupied housing than is found citywide.

Allison Hill also has a diverse and changing population, with a high proportion of young people. These demographic indicators often signal social stress, such as increased crime, drug abuse and other destabilizing factors, confirmed by actual conditions in the area.

### **Physical Development Need**

The Allison Hill neighborhood contains a high concentration of structures constructed before 1940, over 70 percent. At the same time, the area contains a number of valuable historic resources, which are worthy of preservation. For this reason, two local, municipal historic districts have been established; however, the lack of resources and investment in the area is a potential detriment to the integrity of such historic structures.

There is also a high concentration of vacant housing units - over 20 percent. Many are contained in structures in need of rehabilitation, while demolition may be the only option for others.

The need to accommodate sites to provide jobs for residents within the neighborhood is also significant, since many have limited access to transportation.

As we see from the neighborhood conditions noted above, concentrations of low-income households, combined with high residential vacancy rates, age of housing, and cost burdened households have contributed to the decline in the Uptown and Allison Hill communities. A continued demand for quality, affordable housing and homeownership opportunities in each community exists.

b. Market conditions and demand factors

(1) Projection of the extent to which the markets in the Uptown and Allison Hill geographies are likely to absorb abandoned and foreclosed properties through increased housing demand during the next three years (if we do not receive this funding).  
Projected job growth and in-migration – total inventory/absorption rate.

In the City of Harrisburg, there has been no net new household growth. Although the rate of annual household growth has been negative, the decline has slowed. New construction activity has been a replacement of existing units that are vacant or demolished. Much of the housing stock in the City's low-income neighborhoods including Uptown and Allison Hill, has fallen into disrepair and has deteriorated due to lack of investment. High vacancies and demolitions are frequent and property values remain sluggish with some decline.

New housing activity in the region was concentrated in the outlying suburbs of the metropolitan area. Market rate and low-income housing developments in the City moved steadily in the first half of this decade, however, the credit and housing market crisis in late 2007 and 2008 negatively impacted new development and stalled those projects which were underway. Recent first time homebuyer tax credits made available through the stimulus program have assisted in the movement of real estate in the City.

Harrisburg has long benefited from the stability of the Commonwealth of Pennsylvania as a stable employer in the region. In the stable market, home prices did not escalate to levels seen in other parts of the country or other parts of the state, therefore with the housing crisis, that which

did not bubble, did not burst. The length of time that a house is listed on the market to sell is an important measure of sales activity of motivated sellers as well as qualified homebuyers. Longer length of time may reflect a matrix of sellers unwilling to accept offering price and too few buyers. The average length of time on the market found that in 2007 existing homes were on the market 56 days. In 2008, the average length of time increased by 10 days to 66.

Without the infusion of resources through the NSP2, those properties creating a blighting influence on the Uptown and Allison Hill communities will continue to blight and destabilize neighborhoods. At the current rate, the City is able to address 5-6 units through targeted rehabilitation annually and 20-25 demolitions annually. Resources through this program will allow the City to proactively and systematically create new affordable homeownership opportunities.

(2) Extent to which over-building of housing units, over-valuation of housing, or loss of employment is a critical factor, or the most critical factor, causing abandonment and foreclosure in the Uptown and Allison Hill geographies.

Like other urban regions, the Harrisburg area has experienced a regional deconcentration of population following WWII. As a result, the long-term population trend in the City has been one of continual decline since 1950, with the greatest rate of decrease during the 1960s. Much of the decrease has been influenced by an improved road system in the region, along with the development of other infrastructure that supported settlement outside of the City.

While the number of State government jobs fluctuates, there is a constant base of government jobs located in the City. Unfortunately for the City's residential base, the lack of incentives for City - or near-City - residency for state employees, such as rewards for utilizing public transit or urban homebuyer assistance, have made daily commuting into Center City the norm for State workers.

State jobs notwithstanding, employment among private businesses and industries, however, has also left the City. Since the early 1980's, the City has embarked on a comprehensive revitalization program supporting an improved economic climate. The City has a diverse and unique housing stock that is attractive to young professionals and empty nesters who appreciate convenience to the services and cultural attractions that are in the City.

As housing costs have continued to increase in the region, the City's lower cost housing appeals to moderate-income households and first-time homebuyers. The City, however, is a largely developed community. There is limited land for new housing but a vast potential for redevelopment and reuse of the existing residential areas of the City. There has been a renewed interest in living in the City and rehabilitation of the City's older housing stock. Therefore, over the next five years, based on this current trend, the population of the City of Harrisburg is expected to stabilize and may increase slightly.

As of 2000, there were 8,702 owner-occupied units in the City, which was 42.3 percent of the 20,593 occupied units. This was a slight decrease from 1990 – 42.4%, or 9,131 of 21,520 total occupied units. In 2000, Dauphin County (excluding the City) had a 71.1 owner-occupancy rate, while the State as a whole had a 71.3% rate.

The City continues to advance homeownership by non-white households consistent with national goals. In fact, significant minority purchase goals have been achieved at recent housing initiatives, including 70% minority purchasers in the Melrose Gardens infill project and over 50% African American purchasers alone in the Capitol Heights neighborhood. Among the HOP homes targeting homeownership for buyers below 80% of median income, over half of homes are sold to minority households.

The 2000 Census reported that City-wide, there were 9,681 cost burdened households, which was 47 percent of all households. Of these cost-burdened households, about 62 percent were renter-occupied (7,341), and 26.9 percent (2,340) owner-occupied. In 1990, the Census reported that 17.1 percent of owners, and 38.5 percent of renters, were cost burdened, and these figures increased significantly in the City throughout the 1990s. About 81 percent (7,814) of the cost burdened households are very-low-income, with annual incomes of less than \$20,000 per year. Another 18 percent (1,790) are low-income (annual incomes between \$20,000 and \$34,999), and less than one percent (77) of the cost burdened households are moderate or middle income.

As noted above, the impact of already cost burdened households, an aging housing stock and infrastructure coupled with the credit tightening for new development opportunities has stalled development and strained households leading to real estate tax foreclosure, mortgage delinquency, foreclosure and later abandonment.

(3) Income characteristics of households in target area and information on housing cost burden for households at 50, 80 and 120 percent of area median income levels.

The 2000 Census reported that City-wide, there were 9,681 cost burdened households, which was 47 percent of all households. Of these cost-burdened households, about 62 percent were renter-occupied (7,341), and 26.9 percent (2,340) owner-occupied. In 1990, the Census reported that 17.1 percent of owners, and 38.5 percent of renters, were cost burdened, and these figures increased significantly in the City throughout the 1990s. About 81 percent (7,814) of the cost burdened households are very-low-income, with annual incomes of less than \$20,000 per year. Another 18 percent (1,790) are low-income (annual incomes between \$20,000 and \$34,999), and less than one percent (77) of the cost burdened households are moderate or middle income.

**Low Income Persons and Households in the City of Harrisburg  
 by Census Tract – 2000**

| Census Tract | Low Income Population | Low Income |                       |                                |
|--------------|-----------------------|------------|-----------------------|--------------------------------|
|              |                       | Persons    | Percent of Population | Estimated Number of Households |
| 201          | 2,775                 | 1,680      | 60.5                  | 1,235                          |
| 203          | 1,468                 | 1,030      | 70.2                  | 691                            |
| 204          | 1,792                 | 986        | 55.0                  | 624                            |
| 205          | 2,876                 | 1,910      | 66.4                  | 950                            |
| 206          | 1,270                 | 1,030      | 81.1                  | 368                            |
| 207          | 2,916                 | 2,182      | 74.8                  | 702                            |
| 208          | 2,691                 | 1,631      | 60.6                  | 722                            |
| 209          | 3,582                 | 1,843      | 51.5                  | 784                            |
| 211          | 3,019                 | 1,901      | 63.0                  | 757                            |
| 212          | 2,314                 | 1,674      | 72.3                  | 581                            |
| 213          | 6,310                 | 4,738      | 75.1                  | 1,601                          |
| 214          | 5,118                 | 4,041      | 79.0                  | 1,443                          |
| 215          | 3,460                 | 2,072      | 59.9                  | 809                            |
| 216          | 2,776                 | 1,840      | 66.3                  | 722                            |
| 217          | 5,485                 | 2,848      | 51.9                  | 1,300                          |
| Total        | 47,852                | 31,406     | 65.6                  | 13,289                         |

Source: U.S. Department of Housing and Urban Development, 2000

Determining high, middle, moderate, low and very low income ranges are based on a family size of four and the median family income (MFI)<sup>1</sup> for the Harrisburg – Lebanon – Carlisle Metropolitan Statistical Area (MSA) in 2000, which was \$50,300. Based on this data, the income levels were as follows:

- High Income (greater than 120% of MFI) \$60,360 and above.
- Middle Income (96% to 119% of MFI) \$48,288 to \$60,359.
- Moderate Income (81% to 95% of MFI) \$40,239 to \$48,287.
- Low Income (51% to 80% of MFI) \$25,149 to \$40,240.
- Very Low Income (0 to 50% of MFI) \$-0- to \$25,150.
- Extremely Low Income (0 to 30% of MFI) \$-0- to \$15,090.

HUD calculated that there were 31,406 (65.6%) low-income persons in the City of Harrisburg in 2000. This was an increase of 1,712 persons from 1990 (29,694), despite the fact that the total City population declined by 3,276 during this period. Thus, both the total number, and of course the percentage, of City residents who are low-income increased. To estimate the number of low-income households, the population of each census tract was divided by the average household size for each of the census tracts as reported by the 2000 Census.

<sup>1</sup> **Income of families.** In compiling statistics on family income, the incomes of all members 15 years old and over related to the householder are summed and treated as a single amount.

HUD identifies low-income census tracts as those where 51 percent or more of the population have incomes of 80 percent or less of the median family income. Thus, as shown in Table 2-8, all City census tracts are low-income.

**Housing Condition Indicators by Census Tract – 2000**

| Census Tract | Total  | Constructed Prior to 1960 |         | Lack Complete Plumbing |         | Occupied Units | Cost Burdened |         | Overcrowded |         |
|--------------|--------|---------------------------|---------|------------------------|---------|----------------|---------------|---------|-------------|---------|
|              |        | Units                     | Percent | Units                  | Percent |                | Units         | Percent | Units       | Percent |
| 201          | 2,496  | 1,246                     | 5.0     | 61                     | 2.4     | 2,036          | 1,247         | 61.2    | 57          | 4.6     |
| 203          | 1,254  | 472                       | 3.8     | 11                     | 0.9     | 1,069          | 574           | 53.7    | 12          | 1.1     |
| 204          | 1,260  | 1,076                     | 85.4    | 7                      | 0.6     | 1,060          | 536           | 50.6    | 0           | 0.0     |
| 205          | 1,774  | 1,514                     | 85.3    | 10                     | 0.6     | 1,431          | 651           | 45.5    | 43          | 3.0     |
| 206          | 553    | 468                       | 84.6    | 0                      | 0.0     | 454            | 275           | 60.6    | 22          | 4.8     |
| 207          | 1,162  | 965                       | 83.0    | 35                     | 3.0     | 936            | 530           | 56.6    | 74          | 7.9     |
| 208          | 1,407  | 1,205                     | 85.6    | 28                     | 2.0     | 1,208          | 598           | 49.5    | 13          | 1.1     |
| 209          | 1,693  | 1,449                     | 85.6    | 17                     | 1.0     | 1,506          | 509           | 33.8    | 32          | 2.1     |
| 211          | 1,463  | 1,275                     | 87.1    | 0                      | 0.0     | 1,205          | 462           | 38.3    | 45          | 3.7     |
| 212          | 1,150  | 968                       | 84.2    | 32                     | 2.8     | 785            | 369           | 47.0    | 54          | 6.9     |
| 213          | 2,761  | 2,176                     | 78.8    | 26                     | 0.9     | 2,153          | 1,220         | 56.7    | 200         | 16.4    |
| 214          | 1,941  | 1,376                     | 70.9    | 46                     | 2.4     | 1,826          | 890           | 48.7    | 222         | 12.2    |
| 215          | 1,513  | 1,264                     | 83.5    | 47                     | 3.1     | 1,353          | 493           | 36.4    | 38          | 2.8     |
| 216          | 1,248  | 1,110                     | 88.9    | 39                     | 3.1     | 1,062          | 521           | 49.1    | 55          | 5.2     |
| 217          | 2,662  | 2,240                     | 84.1    | 22                     | 0.8     | 2,509          | 806           | 32.1    | 51          | 2.0     |
| Total        | 24,337 | 18,804                    | 77.3    | 381                    | 1.6     | 20,593         | 9,681         | 47.0    | 918         | 4.5     |

Source: U.S. Bureau of the Census

- (4) Relevant social, governmental, educational, or economic factors contributing to local market conditions and contributing to neighborhood decline or instability within the target area.

Both the Allison Hill and Uptown communities share characteristics of high density, low educational attainment, and disinvestment and transiency in their populations. Coupled with archaic state laws which provide no incentive to property owners to maintain properties and very little retribution for owners who buy, liquidate and abandon property, these neighborhoods have felt the strain of stagnation and decline for many years. To reverse the trend, much investment in planning and targeted rehabilitation, demolition, acquisition and new construction have occurred in the last 5 years. The level of this investment however does not meet the growing need as a result of the heightened level of abandonment in the current market.

Many areas of Uptown have only recently begun to see re-investment following the Agnes flood of 1972 where property owners were able to secure the proceeds of insurance payments and left properties to deteriorate for a period of 35 years.

- (5) Which NSP2 activity categories are most likely to stabilize the target geography and why, based on the above information.

Homeownership provides the foundation for revitalizing communities. The resources needed to stabilize the Uptown and Allison Hill communities include elimination of the blighting influences found in vacant, abandoned housing units through strategic and targeted demolition of those units that cannot be saved coupled with rehabilitation and stabilization of those units which can be saved.

Targeted reuse of vacant land created by demolition in the form of new, affordable and sustainable construction providing affordable homeownership opportunities is also vital. Harrisburg is not alone in its need for strategic revitalization. The Uptown and Allison Hill communities provide prime opportunities to reverse the trend of out-migration through providing these quality homeownership opportunities.

## **Rating Factor 2: Demonstrated Capacity of the Applicant and Relevant Organizational Staff**

### **a. Past Experience of the Applicant**

The City of Harrisburg has been a grantee through the HUD Office of Community Planning and Development formula entitlement programs under the Community Development Block Grant and HOME Investment Partnership Programs, and a competitive grantee under the Office of Healthy Homes and Lead Hazard Control under the Lead Hazard Control Program. Over the last 30 years, the City has focused the use of these resources to conduct demolition of vacant, blighted and structurally unsound buildings, acquire and rehabilitate single family homes to create homeownership opportunities, mitigate lead hazards in residential properties, and, through our partnership with the Harrisburg Redevelopment Authority and non-profit partners, acquire vacant land for redevelopment of affordable units for homeownership. These activities, along with direct assistance to homeowners to address code and emergency needs, have long been the mainstay of the City's housing priorities and agenda to transform Harrisburg neighborhoods.

In these 30 years, the City has developed a wealth of resources to assist and guide each program's implementation. Activities funded under the CDBG and HOME programs have been monitored by HUD for compliance with Environmental Review requirements, Federal Labor Standards, Fair Housing and Equal Opportunities and overall compliance as it relates to CPD programs and implementation of the Lead Safe Housing Rule within the last two years. The City has received positive reports from each program area and, where applicable, has made the approved modifications to program standards to assure continued compliance.

Specifically in the preceding 24 months, the City, with partner organizations, has completed the rehabilitation of 18 vacant, yet structurally sound properties for sale to income qualified purchasers; demolished 47 vacant, blighted buildings; acquired 20 properties for redevelopment; and constructed 61 units of new housing for affordable rental and homeownership opportunities.

The Housing Bureau has in place a housing rehabilitation arm which specializes in the administration and oversight of all vacant structure and homeowner occupied rehabilitation programs. This team includes two rehabilitation specialists with a combined 35 years of experience in the preparation of specifications for rehabilitation work, oversight of day to day contractor activity and interaction with the ownership entities; the Project Director for Construction has 25 years experience with housing rehabilitation with the last ten years working directly with City of Harrisburg sponsored single family vacant structure rehabilitation activities. His responsibilities include oversight of the Rehabilitation Specialists, preparation of Invitation to Bid packages, day to day oversight of contractors and performance, coordination of Environmental Review Record with Planning Bureau staff, review and approval of expenditures and management of the Lead Hazard Control Activities. All representatives of the in-house rehabilitation team are certified Lead-Based Paint Risk Assessors with the Commonwealth Department of Labor and Industry.

Each rehabilitation activity is publicly bid through the Department of Administration, Bureau of Purchasing through an Open Bid process. Contracts executed with the rehabilitation contractor are monitored by the Bureau of Housing. Requisitions for payment are disbursed through the City Treasurer after review and approval by the Bureaus of Housing and Finance and Office of the Controller.

In implementing the City's vacant structure rehabilitation program, the Housing Bureau has been strategic in identifying those properties which have a direct impact on adjoining occupied structures, those on a Capital Corridor street, and those areas where transformation of the neighborhood fabric can be achieved through targeted use of rehabilitation. In the last 24 months, the City and its partners have rehabilitated 18 homes for homeownership opportunities for low-moderate income homebuyers creating stable neighborhoods.

Since 2000, the City of Harrisburg's Department of Public Works and Department of Building and Housing Development, through the Bureau of Codes, have administered the In-House Demolition Program. In that time the crew, made up of four Public Works employees and overseen by the City Codes Administrator, has demolished over 500 vacant blighted properties city-wide.

Properties for demolition are evaluated by the City's Codes Bureau and prioritized based on the property's impact on adjoining occupied structures, whether it is in imminent danger of collapse, and impact on the neighborhood as a whole.

Each property is reviewed for considerations including Section 106 review for historic resources as well as site specific environmental considerations (flood plain, noise corridors, etc) as part of the second tier Environmental Review Record conducted by the Bureau of Planning Historic Preservation Planner.

A demolition lien is placed on privately owned properties for the value of the demolition expense. Proceeds from the collection on liens filed are used to support additional demolition activity.

Properties demolished through this program are prioritized for acquisition and redevelopment planning in the Bureau of Housing and Harrisburg Redevelopment Authority.

In partnership with the Tri County HDC, Ltd (TCHDC) and Habitat for Humanity of the Greater Harrisburg Area (HFH), the City will use NSP2 funds to construct 23 green housing units for homeownership. The TCHDC will develop 13 units of green housing on the long blighted 1500 block of Swatara Street in the City's Allison Hill neighborhood. The development team is made up through partnership with S&A Homes in the construction of green units. S&A has been a local development firm operating statewide with projects throughout the region. Most recently, S&A partnered with TCHDC in the rehab and redevelopment of 48 units of low- and moderate-income rental in the South Allison Hill community – Mt. Pleasant Apartments. The Seven Group has partnered with TCHDC in the design of their green components to this development. Tim Allen, of Tim Paul Allen Architects, is the lead architect on the project and has incorporated Seven Group design principles into the development of the units.

Habitat for Humanity will construct 10 green units in the Uptown neighborhood in Harrisburg on previously foreclosed upon land donated by the Harrisburg Redevelopment Authority. In partnership with PPL and local contractors and volunteer-sweat equity workers, HFH new units will include geothermal heating technology

Local development firms including WCI Partners will also work with the City toward the rehabilitation of long-vacant blighted structures for resale and/or permanent housing opportunities for those graduating from the transitional housing network through the NSP2 funds.

Finally, the City of Harrisburg will use NSP2 funds to acquire vacant single family units and vacant lots in foreclosure for the purpose of establishing a land bank for future development. In the acquisition process, the City will work with three sources to identify units which meet the foreclosure criteria: (1) Dauphin County Office of Tax Claim Bureau Tax Sale and Repository property listing; (2) HUD and FHA real estate holdings; and (3) REO listings of lending institutions. Properties identified through these means will be located in middle-market and target priority needs areas of the City. The City has a long standing partnership with the Harrisburg Redevelopment Authority (HRA) in the acquisition and redevelopment of vacant land and buildings. The Redevelopment Authority holds title to property acquired for redevelopment purposes and has engaged in a Memorandum of Understanding with the City of Harrisburg Department of Building and Housing Development for management, ongoing maintenance, and disposal of the properties. The HRA solicitor has been actively involved in condemnation and title clearance activities with the City and HRA for over 30 years. Appraisal services are currently provided by Minnici Appraisals. A request for qualifications and proposals for appraisal services was conducted in 2006. An updated RFP will be released following approval

for NSP2 funds. Management and maintenance of properties owned by HRA are overseen by Bureau of Housing staff and each facet of maintenance (including cleaning, grass trimming and snow removal) are contracted by RFP annually.

**b. Management Structure**

(1) Description of management structure and organizational chart for implementing NSP2. Key staff for day-to-day management.

In the implementation of the NSP2, the City will utilize the partnerships and programs developed over time focusing on the current market and foreclosure crisis impacting the capital city. The City of Harrisburg Department of Building and Housing Development through the Bureau of Housing will be the lead implementing agency for the NSP. Key staff in the Bureau includes the Deputy Director for Housing who has over six years experience in implementing housing redevelopment projects in the City of Harrisburg with regard to financial management, program oversight, monitoring and reporting. The Bureau's Grants Officer has more than two years experience with day to day financial management and oversight of the HUD IDIS reporting tool and Harrisburg's Pentamation Accounting software.

(2) References.

Community Action Commission  
1514 Derry Street  
Harrisburg, PA 17104  
(717) 232-9757

Pamela Stokes, Executive Director  
Fair Housing Council of the Capital Region  
2100 North 6<sup>th</sup> Street  
Harrisburg, PA 17110  
(717) 901-1282

**Rating Factor 3: Soundness of Approach**

**a. Proposed Activities**

(1) Neighborhood Stabilization Program Activities

**Rehabilitation:**

The City of Harrisburg will acquire single family housing units in foreclosure in targeted city neighborhoods consistent with Priority Needs Areas identified with a HUD Risk Score of 7 or greater. Using existing procedures for rehabilitation of these units, properties will be evaluated by City rehabilitation staff and rehabilitated to meet the 2006 International Building Code standards. Rehabilitated units will be listed for sale to households meeting income standards

established by the NSP2 Action Plan. 25% of units will be priced and reserved for sale to households earning less than 50% of the area median income. HOME guidelines for long-term affordability will be followed for all activities in this NSP2 Proposal. Affordability will be secured by a Mortgage and Note filed with the deed.

The City will target units available through foreclosed real estate inventories of the US Department of Housing and Urban Development, Fannie Mae, lending institutions REO listings and the Dauphin County Tax Claim Bureau's Repository. Although specific addresses could not be guaranteed at the time of submission, the City will specifically target properties in the following Census Tracts (Priority Needs Areas): 206, 207, 208, 212, 213, 215, and 216. An estimated 350 foreclosed properties are located in these Census Tracts. These Census Tracts represent those in which the risks of foreclosure and actual foreclosure numbers, as provided by HUD in the HUD Risk Score, equal to 7 or greater. Properties identified as meeting the foreclosure definition in these tracts will also be prioritized due to their impact on the overall neighborhood fabric and impact on the surrounding Priority Needs Areas.

Depending on the availability of units at the time of commencement of acquisition activities, several areas, specifically Census Tracts 207, 208, 213 and 215, will be targeted due to the higher concentration of REO foreclosed properties. Properties for rehabilitation will be conscientiously identified based on the location of units having the greatest impact on the neighboring occupied properties and fabric of the neighborhood. The Uptown (CTs 206, 207 and 208) and Allison Hill (CTs 212, 213, 215, and 216) neighborhoods of the City are each strategically targeted through existing CDBG and HOME entitlement resources and neighborhood planning activities. Vacant single family acquisition and rehabilitation activities have been carried out in these neighborhoods consistent with the City's Five Year Consolidated Plan and Neighborhood Action Strategies focusing on increasing the city's population and the rate of homeownership. The City and its partners have been successful in rehabilitating 75 single family units creating affordable housing opportunities for low income homebuyers.

The City will partner with Harrisburg Fair Housing Council and other counseling entities to offer educational workshops for homebuyers. Pursuant to City requirements, buyers will be required to obtain certification of their participation in an eight hour counseling session prior to the purchase of a home. Additionally, the City will work with the Fair Housing Council to devise a post-purchase counseling program to meet the needs of the new homeowner - budgeting and credit, minor repairs and regular home maintenance responsibilities, and the importance of being a good neighbor.

In addition to the number of units acquired and rehabilitated, the City will gauge its performance in rehabilitation activities by the number of homeowners created and the stability of the neighborhood - i.e.: increased property values, impact on crime rate, and resident longevity. Working under the auspices of existing neighborhood planning activities, homebuyers will be encouraged to participate in existing homeowner/resident associations and become involved with community beautification and improvement programs also sponsored by the City. NSP acquisition and rehabilitation in concert with other activities identified in this application and

ongoing CDBG funded rehabilitation will allow the City to provide far reaching and sustainable results benefiting households in need.

*In the rehabilitation of units through the Homeownership Opportunities Program, the City of Harrisburg realizes energy conservation and promotes smart growth through the preservation of the City's existing residential building stock. Single-family units that have long been vacant and would otherwise become candidates for demolition are preserved through the HOP Program. This significantly reduces the amount of building materials in landfills and promotes historic preservation. By increasing the availability of quality homeownership opportunities for low-income households in areas with access to public transportation, jobs and infrastructure, the City promotes smart growth principles and the reuse of materials and preservation of neighborhoods.*

*Additionally, the City of Harrisburg utilizes ENERGY Star rated appliances and equipment in the rehabilitation of properties through the HOP. This technique preserves the long-term efficiency and affordability of units sold to low income households. The HOP program rehabilitation specifications also require the use of R21 insulation and 2'x6' exterior wall construction for greater energy efficiency.*

**Demolition:** Through the Bureau of Codes, each vacant property is graded based on the integrity of the structure, impact on adjoining properties and location within a target neighborhood of the city. 250 properties in the City have been identified by the Bureau of Codes as priorities for demolition based upon their imminent danger of collapse, structural instability, damage to adjoining structures, and accessibility as an attractive nuisance. Although an attainable number, with abandonment, disinvestment, and deterioration of vacant structures not slated for demolition, this number never reaches zero. (The acquisition and rehabilitation activity funded through CDBG and NSP2 seek to assist in addressing this factor.)

Preliminarily, 40 properties have been identified for demolition through the NSP2. All structures identified are in low income neighborhoods and have been the subject of complaint by residents and community organizations. In most cases, subject properties are directly recommended by community residents. Although typically a slum and blight removal activity, demolition under the NSP2 will be classified to benefit the low-income Uptown and Allison Hill communities as an area benefit.

The City's Community Development Block Grant Program annually allocates resources to demolition activity. Candidate properties are identified for demolition using the City's In-House Demolition Team. The team, consisting of Department of Public Works personnel and led by the Codes Administrator, undertake the demolition of blighted properties city-wide. NSP funds will be complemented by CDBG resources used to address additional demolition activity.

Although dwelling units identified for demolition have been vacant for many years, the 40 units slated for demolition will be offset by units to be rehabilitated (20) or newly constructed (23) through the NSP2.

**Acquisition:** The City, in conjunction with the Harrisburg Redevelopment Authority, will seek to acquire up to 20 vacant blighted foreclosed properties for the purpose of establishing a land bank for future development.

The City and Redevelopment Authority have worked strategically to acquire vacant blighted properties in low and moderate income neighborhoods for over thirty years. In 2004, the City worked with the Dauphin County Commissioners and Dauphin County Tax Claim Bureau to identify key properties in targeted neighborhoods of the City that were the subject of tax foreclosure by the County. In all, the City identified over 200 long vacant properties for rehabilitation opportunities and to couple with existing Redevelopment Authority land to create a site suitable for development.

The City and Redevelopment Authority will use NSP2 funds to acquire up to 20 foreclosed properties from the Dauphin County Tax Claim Bureau tax foreclosure listing in addition to properties which have been foreclosed upon and are held by REO's, HUD or Fannie Mae. Properties will be identified to strategically address blight in targeted neighborhoods of the City and create developable land for future use. The Uptown Census Tracts of 206, 207, and 208 will be targeted in addition to Allison Hill Census Tracts 212 and 213. (A map of Repository Listings is attached for reference.)

Each property will be appraised prior to acquisition to determine current fair market value. A discount of at least the 15% required will be negotiated based on list price and current fair market value. In the case of properties to be acquired through the Dauphin County Tax Claim Bureau, bidding for properties begins at \$350. The City and Dauphin County will work together to negotiate discounted bid prices.

Once properties have been acquired, the City will work to clear blighting influences by maintaining vacant lots, sealing entrances of blighted buildings, seek proposals from the development community for construction of new affordable homeownership opportunities or community based businesses, or rehabilitate for future homeownership or rental opportunities.

Many properties available through foreclosure listings may require a greater level of rehabilitation due to years of deferred property maintenance while occupied and often neglect by the lending institution in ownership. In many instances a vacant property in bank foreclosure has been stripped by previous occupants of all valuables including copper piping, furnace, and bathroom and kitchen fixtures for their resale value. In our recent visits of foreclosed upon properties this scenario was more the norm rather than the exception. Units acquired under this land bank program will be evaluated for potential rehab or future demolition.

Targeted neighborhoods for acquisition are those in which the low- and moderate-income population is highest in the City. These neighborhoods have also traditionally seen high levels of abandonment. Reinvestment through the NSP2 and concentrated City Community Development Block Grant resources will seek to increase attachment to these neighborhoods, reduce the level of blight and create new opportunities for growth and development. All units targeted will be

evaluated based on their level of impact to the low income neighborhood, with the goal of providing a positive future impact on the values of adjoining properties and assurance of long term stability of the neighborhood.

**New Construction:** The City of Harrisburg has documented through utility and demolition records 2,706 vacant parcels of land – parcels with improvements valued at \$1000 or less. Through the strategic acquisition of many of these parcels, the City and Harrisburg Redevelopment Authority have promoted the redevelopment of this land for affordable and market rate housing developments. Most recently, partnerships with Habitat for Humanity of Greater Harrisburg, Tri County Housing Development Corporation, WCI Partners of Harrisburg, and Struever Brothers Eccles and Rouse of Maryland have produced new homeownership opportunities in areas of the City which had long been vacant.

Through the NSP2, the City will work in partnership with two non-profit housing development organizations to build affordable green housing for homeownership opportunities. A total of 23 new, single-family units will occupy properties vacant through demolition and acquired through condemnation and tax foreclosure.

#### *Habitat's Energy Star Neighborhood*

Habitat for Humanity of Greater Harrisburg has been a leader in affordable housing in our area for the last 22 years. By way of educational workshops, mentors for each partner family and “sweat equity”, every Habitat family receives consistent training on how to be a successful homeowner. Through both new construction and rehab of condemned and vacant buildings, every Habitat home decreases blight in our community. Due to their zero interest mortgages to low income families every Habitat neighborhood combines affordable homes with market rate homes so that streets become mixed income.

The Habitat affiliate is also becoming a leader in energy star construction for the affordable housing community here in Harrisburg, PA. We have already begun using energy efficient methods of building -- see the Secretary of Department of Energy Protection's visit to one of our construction sites in January. <http://enews.state.pa.us/m/5fbGdjPCTA-0xXYkJNltUe4A8zwnHdqYmhgrU8pSj-DIfTi9Q>

With the proposed Energy Star Neighborhood, Habitat for Humanity will construct seven (10) new single-family townhomes at the intersection of Jefferson and Woodbine Streets in the City's Uptown neighborhood (Census Tract 207). The target area is a high priority needs area in the City with an estimated 12.39% foreclosure rate where 74.8% of the population is low-income. The proposed development area is within one-half block of the Camp Curtin Branch of the YMCA and the North 6<sup>th</sup> Street Capital Corridor – an area of focus under the City's Community Development Block Grant program for infrastructure and redevelopment over the past ten years.

Each of these new construction homes will have at a minimum a geo-thermal well and energy star rated appliances, insulation and windows. With a blow test at completion of construction we will know the energy star rating of each home. Habitat will also focus on developing “visit-able”

units as part of the development – providing greater access and meeting the needs of the disabled.

But not only do the Energy Star designed homes mean that the home owners will have more efficient homes and lower energy bills - these builds also mean a collaborative effort for affordable change. The collaboration includes local corporations and neighbors – the volunteers who come to build on our sites – and there are 2,300 each year that volunteer with Habitat. Combining the contributions of PPL Corporation and Schneider Electric with Neighborhood Stabilization Funds we will have enough funds to start a new cluster of Habitat homes all at once. And we will be combining the collaborative forces of individuals and corporations with our HUD funding to make change in our own community.

Habitat for Humanity works in Harrisburg to meet low-income housing needs. Families selected for home ownership are required to attend a minimum of two home repair workshops, and a budget review workshop through Habitat, as well as complete their sweat equity hours.

After moving in, families are expected to make monthly mortgage payments on time and keep the house and yard well-maintained. Habitat holds every mortgage on their properties and work with homeowners through training and education to provide them with the skills they will need for this tremendous responsibility. Habitat assists to prevent foreclosure additionally by selling each home with a five-year right of first refusal, requiring that the home is occupied by the homeowner during the five year period or sold back to the Habitat affiliate. Additionally, each Habitat home is appraised prior to sale. Any difference between the house price and appraisal value is protected by a Shared Equity Agreement, which makes the homeowner less prone to predatory lending. Homeowners are responsible for their own property maintenance and monthly utility bills. All expenses connected to property improvements, repairs and etc. fall on the homeowner, not Habitat.

#### *Tri-County's Mt. Pleasant Homes*

Through the NSP2 the City of Harrisburg partnering with Tri-County HDC also proposes to produce five new Energy-Star Certified homes for sale to low and moderate income families. Through the construction of Energy-Star certified green homes, five families who earn between 0-80% of the area median income will have the opportunity to purchase high quality, affordable homes that are both healthier and more energy efficient than conventional construction. This project supports the creation of affordable and healthy homes for low-income households and allows the families who purchase these homes to spend a lower percentage of their income on energy consumption expenses.

The five “green” homes will be a part of a 25-unit new construction project in the City of Harrisburg. The City, together with developer/owner Tri-County HDC, Ltd. (a CHDO serving Central Pennsylvania and the City of Harrisburg), will begin construction of the 25-unit development, *Mount Pleasant Homes*, in 2009. This \$5.2 million development is financed through the Pennsylvania Housing Finance Agency, Pennsylvania Department of Community and Economic Development, the Federal Home Loan Bank of Pittsburgh, Dauphin County Act

137 Funds, and CHDO set-aside HOME Funds. The Mount Pleasant Homes Development will take place in City’s Allison Hill Neighborhood – 300 block of South 16<sup>th</sup> Street and 1500 block of Swatara Street – Census Tract 213. Census Tract 213 is located within the City of Harrisburg Federal Enterprise Community; the State of Pennsylvania designated Enterprise Zone and the Harrisburg Weed and Seed Target Area. It is a high priority needs area with an estimated 10% foreclosure rate and 75% of the population is considered low income.

The *Mount Pleasant Homes* project features one “Net Zero Energy” demonstration home. This innovative home is designed to meet LEED platinum standards and includes solar panels that are expected to produce as much energy as the homeowners will consume over the course of a year. With additional resources provided through the NSP, TCHDC seeks to increase the number of “Net Zero Energy” homes to four (**a total of 3 to be funded through NSP2**). The design team includes Tri-County HDC, owner/developer; Timothy Allen, AIA; Tashya Leaman, Landscape Architect; Skelly & Loy, Inc., Engineers; and 7group LLC, an energy-consulting firm with extensive background in green building innovation. Additional energy components including Structural Insulated Panels, Ground-source Heat Pump and other technologies will be spread to an additional 10 units in the development.

Tri-County HDC, Ltd., the owner/developer for this project has produced over 550 affordable housing units since 1990 and is the premier CHDO in the Central Pennsylvania region. **The receipt of NSP2 funds will allow the City of Harrisburg to partner with Tri-County HDC to designate additional units of the *Mount Pleasant Homes* development as Energy-Star certified homes.**

The City of Harrisburg will contract with Tri-County HDC, Ltd. to produce five Energy-Star Certified “green” units. Final receipt of funds will be contingent upon these homes receiving an Energy-Star Certification by an independent Home Energy Rater upon completion.

Tri County HDC will work with the Community Action Commission homeownership counseling program to provide training opportunities to purchasers of homes in the Mount Pleasant development.

- (2) Uses of funds and firm commitments
  - (a) Use of NSP2 funds

| Activity  | Responsible Entity(ies)   | NSP2 Funds Budgeted | Other Commitments |
|---|---|---------------------|-------------------|
| Acquisition/Rehabilitation of Structures for Resale | City of Harrisburg<br>Tri County HDC<br>WCI Partners            | \$3,400,000         | \$220,000         |
| Demolition  | City of Harrisburg  | \$720,000           | \$136,000         |
| Acquisition/Land Bank                               | City of Harrisburg/<br>Harrisburg<br>Redevelopment<br>Authority | \$400,000           |                   |

|                  |                      |                    |                    |
|------------------|----------------------|--------------------|--------------------|
| New Construction | Tri County HDC       | \$1,140,584        | \$4,860,870        |
|                  | Habitat for Humanity | \$1,252,740        | \$188,030          |
| Administration   | City of Harrisburg   | \$345,577          | \$4,419            |
| <b>Total</b>     |                      | <b>\$7,258,901</b> | <b>\$5,409,319</b> |

**b. Project Completion Schedule**

| Activity   | Start Date                       | End Date                         | Outcome/Measurable Results  |
|--|----------------------------------|----------------------------------|---|
| Notification of Grant Award  | 02/01/2010                       |                                  |   |
| Quarterly Performance Reports  | 10 days following End of Quarter | 10 days following End of Quarter | Provide accountability of use of ARRA funds and assure contract compliance  |
| Monthly Expenditure Reports  |                                  |                                  |   |
| Preparation of Environmental Review  | 02/01/2010                       | 03/01/2010                       | First tier review for projected activities. Second tier review to be undertaken for each unit to be addressed.  |
| Subrecipient Contracts Prepared  | 02/01/2010                       | 02/28/2010                       |   |
| Habitat for Humanity and Tri County HDC commence construction of 23 new housing units    | 04/01/2010                       | 12/31/2011                       | 23 green/energy efficient homeownership opportunities for low income households. 100% of Habitat Units sold to households below 50% of AMI.           |
| Property list for Demolition finalized   | 02/15/2010                       | 02/28/2010                       | Units targeted in each Census Tract   |
| Section 106 clearance acquired for units to be demolished                                | 03/01/2010                       | 04/15/2010                       |   |
| Demolition Begins  | 05/01/2010                       | 12/31/2012                       | Clearance of 40 vacant, blighted and hazardous structures allowing for future redevelopment   |
| Identify foreclosed/abandoned units for acquisition – land bank and acquisition – rehab. | 02/15/2010                       | 12/31/2010                       | Acquire units through tax sale and Dauphin County repository list. Identify properties in targeted neighborhoods meeting rehab or land bank goals.    |
| Rehabilitation of vacant acquired units  | 04/01/2010                       | 10/31/2012                       | Ongoing completion of rehabilitation of 20 vacant units in target neighborhoods providing homeownership and stabilization to Uptown and Allison Hill. |

**c. Income Targeting for 120 percent and 50 percent of median**

The City of Harrisburg's NSP2 program will directly benefit households earning less than 120% of the area median income through the availability of units for homeownership opportunities. Additionally, low-moderate income neighborhoods will directly benefit from the acquisition and land banking of foreclosed upon properties and demolition of vacant blighted units.

In the 2000 Census, 65.6% of Harrisburg's population earned less than 80% of the AMI. Each census tract demonstrates a low-moderate income population greater than 51%.

Of the total request, 25% will be utilized to purchase, construct, or rehabilitate homes which will benefit households earning less than 50% of the area median income. Each of the 10 homes proposed for development by Habitat for Humanity will be sold to households earning less than 50% AMI and 5 of the 20 units funded for acquisition/rehabilitation will be marketed and sold to households earning less than 50% AMI.

**d. Continued affordability**

The City of Harrisburg will implement the HOME program standards to maintain long-term affordability of units produced through the NSP2 program. Long-term affordability will be secured through a Mortgage and Note filed with each deed.

**e. Consultation, Outreach and Communications**

(1) Consulted with other units of local government over your target geography

The City of Harrisburg and County of Dauphin work cooperatively in targeting resources and efforts in the Uptown and Allison Hill Communities. Dauphin County Commissioners has provided direct funding through the HOME program and Affordable Housing Trust Fund to support the Tri-County Mt. Pleasant Homes project and single family rehabilitation initiatives of Habitat for Humanity.

The City and County worked collectively in 2004 to identify key properties in tax foreclosure identified on the County repository tax listing for City acquisition to support further affordable housing developments. In 2009, the City and County anticipate working together through the NSP to accomplish rehabilitation and land banking in target neighborhoods to further goals of neighborhood stabilization.

(2) Proposed outreach and affirmative marketing actions

The City of Harrisburg continues its on-going fair housing initiatives with continued education and outreach, structuring of land uses policies, overcoming NIMBY attitudes and improving accessibility. The following actions are undertaken annually to affirmatively further fair housing.

In 2008 the City of Harrisburg began the extensive task of updating its Analysis of Impediment to Fair Housing – the Fair Housing Plan. Numerous meetings with stakeholders and Fair Housing advocacy organizations took place in FY 2007 to begin the formulation of the plan. The final report is expected to be completed early in FY 2008.

The City of Harrisburg addressed the Fair Housing issue of low homeownership rates among minority households by actively marketing decent, safe and affordable home purchase opportunities in outlets that target the City's population, which is predominantly minority. Specific outlets included:

- City Calendar and Department newsletter - distributed in-home to City households at no charge and made available at city community centers and public buildings
- Newspaper advertisements - including metro daily and neighborhood weekly
- Outreach to City employers, new City hires
- Attendance at city and regional homebuyer expos.
- Establishing a toll-free phone line used in all advertising.

The City has developed direct assistance programs that assist homebuyers with assembling down payment funds, which can also ease the burden of securing mortgage credit approvals. The City operates the Homeownership Impact Loan Program (HIL), which provides down-payment and closing cost assistance to renters looking to purchase the home they have rented for one year. The City also provides closing cost assistance on homes it sells in the Homeownership Opportunities Program. The City markets the Dauphin County Second Mortgage and Down-payment Assistance Loan program which assists the purchase of privately sold single family, owner-occupied property.

The City addressed the Fair Housing issue of Predatory Lending by continuing to participate on the Predatory Lending Task Force of South Central Assembly for Effective Governance. The City supports the work of the Task Force, involving an assessment of the extent of Predatory Lending in the area and educational efforts to combat it. The City of Harrisburg further addressed predatory lending by following standard operating policies aimed at preventing it in CDBG and HOME-funded homeownership and homeowner assistance programs.

The deterioration of urban real estate unfairly impacts city homeowners and their right to decent, safe and affordable neighborhoods. The City is addressing the blight and disinvestment in neighborhoods by undertaking the demolition of hazardous structures in such areas and concentrating its property acquisition, infrastructure and neighborhood improvement activities in those neighborhoods. Rehabilitation along the Capital Corridors, the Adopt-A-Block program and ongoing community facility improvement projects are all intended to stimulate and support private investment in a sound housing stock in minority neighborhoods.

The City participates on the Local Housing Option Team, whose goal is to develop 100 new housing options for physically and mentally handicapped individuals/families. The City

participates in the Regional Continuum of Care effort which resulted in award of a Permanent Supportive Housing project for mentally handicapped individuals.

Harrisburg funds home repair programs that provide accessibility improvements. The Home Improvement Program provides loans and/or grants for low and moderate income homeowners. The Habitat for Humanity Home Repair program and Rebuilding Together provide additional homeowner rehab assistance.

The City implements the 2006 International Building Code (IBC) and enforces handicap access improvements where required by the IBC in all new construction and substantial reconstruction projects. In 2004, the City produced Accessibility Design Guidelines for Existing Structures in the City of Harrisburg. The guide provides building design solutions to allow for greater accessibility to handicapped persons.

(3) Communicate program design, progress, opportunities and results, process complaints in a timely manner (15 working days)

The City's current citizen participation plan provides the framework for maintaining an informed public on the implementation of the ARRA programs. Additionally, program changes and progress have been posted to the City's new website ([www.harrisburgpa.gov](http://www.harrisburgpa.gov)) and has provided a vehicle for up the minute information, opportunities for partnerships and progress on the work of the City.

Citizen complaints related to Housing Bureau activity are processed upon receipt by administrative personnel and forwarded to the appropriate program manager. Outlets and avenues to solve problems and remedy complaints are tracked and reported within the Bureau. In cases where solutions to citizen complaints will require greater than 15 working days to accomplish, the citizen is continually updated on progress and made part of the solution. Average program complaints are resolved within 3 business days.

**f. Performance and Monitoring**

(1) Monitoring Plan

The City of Harrisburg has in place a Subrecipient Monitoring Plan (Exhibit A) which is distributed to subrecipients annually when their contract for funding is executed. The Plan lays the framework for a monitoring review. It notes the records which will be reviewed during the subrecipient monitoring and also identifies federal requirements addressed during the review. Subrecipient audit requirements are also documented in the Plan. Requirements for auditing and monitoring compliance are also detailed in the subrecipient agreement (Exhibit B).

The procedure currently in place for review of audit reports begins by forwarding the copy of the audit, upon receipt, with the subrecipient agreement to the City Controller's Office. The Controller's staff conducts an independent desk review for completeness and compliance with the contract, Government Auditing Standards (GAS), or OMB Circular A-133 as applicable. Using a review checklist to summarize its findings, Controller's Office personnel review each audit in detail and issue a memo to DBHD notifying of acceptability and any follow-up

necessary. Where applicable, DBHD personnel notify the subrecipient of action necessary regarding the audit.

To formalize the process of acceptance of subrecipient audits, the City of Harrisburg has implemented the following procedural changes:

- Standard Operating Procedures have been documented to formalize the internal responsibilities for audit review and have been circulated to DBHD and Controller's Office staff.
- DBHD staff, through regular contract monitoring and file review, track the audit submission requirements.
- Annual contract review sessions are held with subrecipients to explain contract requirements. Particular attention is focused on the contract requirements as it relates to audits and monitoring.
- DBHD and Controller's Office staff will implement the SOP for audit review to determine compliance with Circular A-133 and to insure that subrecipients are notified of the acceptance and be required to address any findings contained in those audits within the time frame designated.

(2) Meet internal audit requirement (agency/positions responsible for internal audit)

The City employs a separate federal grants fund to track all activity related to federal grants. The fund is further delineated at the departmental level by various budget units to track activity at the functional level. Additionally, separate project accounts are setup for each grant to track individual revenues and expenses.

The City has an independently elected Treasurer's Office which receives and deposits the majority of all revenues of the City. This separation of duties aids internal controls and provides efficiencies of scale.

The City of Harrisburg operates on the Modified Basis of Accounting within a Fund Accounting System. The City's accounting system is facilitated via Pentamation, which is the City's financial software. With the use of the Pentamation System, City staff is able to process and track both revenue and expenditures. Revenues are received by the City Treasurer's Office which will record the receipt and report to the Accounting Office which accounts for the receipt separately, for an added layer of control. The Federal Recovery Funds will be designated to the Federal Grant Fund, from there separate programs will be assigned there own budget unit and task, further separating the funds and allowing for greater transparency.

The City accounts for federal grants with the following account structure:

- Fund (delineates federal grants)
- Budget Unit (functional category)
- Project Code (individual grant)
- Revenue and Expense Accounts (how the grant is spent)

The City of Harrisburg is and has been a recipient of various types of federal funds over the past decades, because of this experience the City has not planned on modifying its current accounting system. The City plans to continue the use of its current accounting system in its efforts to providing greater transparency and timely reports. The City tracks all grant activity in the accounting system. Specific project codes can be established to separately identify Recovery Act funding.

The City will assign the tracking of individual grants to personnel in the respective functional category (Public Safety, Public Works, Parks and Recreation, etc.) to ensure expenditures are eligible and reports are timely. A centralized grants manager would also be able to provide support.

The City will continue standard operating procedures currently in place for grant tracking and reporting. Each ARRA grant will be tracked specific to ARRA and individual grant requirements.

Internal Controls focus on efficiency and effectiveness of operations, reliability of financial reporting, and compliance with applicable laws and regulations. An internal control program consists of formal mechanisms that have been established and includes determining, routinely evaluating, and documenting policies and procedures.

The City has a well established and thorough system of internal controls. Specific weaknesses or vulnerabilities related to grant programs are typically addressed during the course of the City's annual audit and specifically the single audit. The City addresses audit findings and any internal control weakness based on a case by case basis and as budgetary funding permits.

#### **Rating Factor 4: Leveraging of Other funds, or Removal of Substantial Negative Effects**

a. Leverage.

Evidence of firm commitments. – See attached commitments.

Ratio of value of firm commitments/amount of NSP2 funds applying.  
= \$5,409,319/\$7,258,901 = 0.745

b. Calculated value using rubric in Appendix 3.  
The City seeks to assist through rehabilitation and or demolition a total of 60 units in targeted neighborhoods. This effort will address a ratio of 0.0799 of vacant units in the neighborhood relative to the number that are vacant

$$= (1.5 \times (20 \text{ vacant properties to be addressed through acquisition rehab}) + (40 \text{ properties to be demolished})) / (1126^* \text{ vacant residential properties in census tracts 206, 207, 208, 212, 213, 215, and 16})$$

$$= \frac{1.5(20+40)}{1126} = \frac{90}{1126} = 0.0799$$

### **Rating Factor 5: Energy Efficiency Improvement and Sustainable Development Factors**

a. Transit Accessibility

Harrisburg is the hub of transit through the Capital Area Transit providing accessible transportation in and around the capital region. The neighborhoods targeted for assistance through this NSP2 proposal have access to regional jobs and attractions through several CAT routes. The Uptown community is served by Routes 3 and 6 serving the North 3<sup>rd</sup> Street and North 6<sup>th</sup> Street riders. Allison Hill is served by Routes 1, 7, 13, 14, and 15 covering Market Street, Derry Street, Paxton Street and Walnut Street.

b. Green Building Standards

In the rehabilitation of units through the gut vacant structure rehabilitation, the City of Harrisburg realizes energy conservation and promotes smart growth through the preservation of the City's existing residential building stock. Single-family units that have long been vacant and would otherwise become candidates for demolition are preserved through the HOP Program. This significantly reduces the amount of building materials in landfills and promotes historic preservation. By increasing the availability of quality homeownership opportunities for low-income households in areas with access to public transportation, jobs and infrastructure, the City promotes smart growth principles and the reuse of materials and preservation of neighborhoods.

Additionally, the City of Harrisburg utilizes ENERGY Star rated appliances and equipment in the rehabilitation of properties through the HOP. This technique preserves the long-term efficiency and affordability of units sold to low income households. The HOP program rehabilitation specifications also require the use of R21 insulation and 2'x6' exterior wall construction for greater energy efficiency.

c. Re-use of Cleared Sites

Both the Habitat for Humanity Energy Star Build and the Tri County HDC Mt. Pleasant Homes project will utilize the latest in energy efficiency and technology in their construction.

Additionally, both projects will re-use sites cleared through demolition of vacant blighted properties and acquisition by the Redevelopment Authority of land through tax foreclosure and eminent domain.

d. Deconstruction/Salvage

Where it is safe to do so, units targeted for demolition and that undergoing gut rehab will be strategically deconstructed of salvageable and reusable building materials. In the most recent cases, historically significant doors, porches, balustrades, fireplace mantels and windows have been salvaged from demolition and rehab sites in order to provide quality reuse opportunities in rehabilitated structures or sold to support additional rehabilitation and demolition activity.

**Rating Factor 6: Neighborhood Transformation and Economic Opportunity**

- (1) Certify Consistency with Consolidated Plan, Regional, Multi-jurisdictional plans  
See attached Planning Bureau certification – Exhibit C
- (2) NSP2 activities increase effectiveness of established plans.  
See attached Planning Bureau certification.

# Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

**Instructions.** (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

## Applicant/Recipient Information

Indicate whether this is an Initial Report  or an Update Report

|  |  |   |
|--|--|---|
| 1. Applicant/Recipient Name, Address, and Phone (include area code):<br>City of Harrisburg<br>10 North 2nd Street, Harrisburg, PA 17101 (717) 255-6480                                   |  | 2. Social Security Number or Employer ID Number:<br>236-00-2010 |
| 3. HUD Program Name<br>Neighborhood Stabilization Program  |  | 4. Amount of HUD Assistance Requested/Received                  |
| 5. State the name and location (street address, City and State) of the project or activity:<br>Harrisburg, Pennsylvania - Uptown and Allison Hill (CT 206, 207, 208, 212, 213, 215, 216) |  |   |

## Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3).  
 Yes  No
2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9  
 Yes  No.

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

## Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

| Department/State/Local Agency Name and Address | Type of Assistance | Amount Requested/Provided | Expected Uses of the Funds   |
|--|--------------------|---------------------------|------------------------------|
| PA Department of Environmental Protection      | PEDA               | \$1,356,500.00            | Energy Efficient Constructio |
| PA Housing Finance Agency                      | HCP                | \$990,000.00              | Energy Efficient Constructio |

(Note: Use Additional pages if necessary.)

## Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

| Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first) | Social Security No. or Employee ID No. | Type of Participation in Project/Activity | Financial Interest in Project/Activity (\$ and %) |
|--|--|---|---|
| Habitat for Humanity of Greater Harrisburg Area  | 581-73-5541                            | Non-profit Developer                      | \$1,252,740                                       |
| Tri-County HDC, Ltd.   | 251-65-3363                            | Non-profit Developer                      | \$1,140,584                                       |

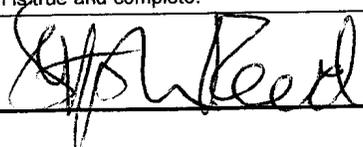
(Note: Use Additional pages if necessary.)

## Certification

**Warning:** If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature:



Date: (mm/dd/yyyy)

7-15-09

X

**INTER-OFFICE MEMORANDUM**

**CITY OF HARRISBURG**

March 4, 2005

**TO:** All Management Employees

**FROM:** Linda Lingle  
Business Administrator



**SUBJECT: Code of Conduct**

As you know, over the past several years we have endeavored to differentiate management employees from bargaining-unit employees because the terms and conditions of employment for management differ significantly from those of the bargaining-unit.

To further distinguish management employees from the bargaining unit, we have established a Code of Conduct for management employees. Accordingly, effective March 14, 2005, management employees will be governed by the Code of Conduct, AFSCME employees will be governed by the Standard Work Rules, Firefighters will be governed by their Standard Operating Procedures, and Police will be governed by their General Orders and Disciplinary Code.

A copy of the new Code of Conduct is attached. If you have any questions concerning the Code or its application, please see your supervisor immediately.

cc: File

## CODE OF CONDUCT FOR CITY OF HARRISBURG MANAGEMENT EMPLOYEES

Management employees of the City of Harrisburg ("City") are "At-Will" employees, and the terms and conditions of their employment are not governed by contract language as is the case with bargaining unit employees. Management employees are governed by the City's policies and, effective March 14, 2005, this Code of Conduct.

### **Code of Conduct**

Management employees of the City of Harrisburg are expected to conduct themselves in a manner which:

1. protects and advances the City's interests,
2. supports the City's policies,
3. demonstrates sound judgment,
4. respects the opinions, abilities and contributions of others,
5. provides leadership and sets a positive example and
6. reflects favorably on themselves, their co-workers, the Administration, the City and its citizens.

### **Penalties**

Management employees will be held accountable for any work habit, behavior or action which is not consistent with the expectation set forth above.

The following are **representative examples** of violations of the Code of Conduct which may result in disciplinary action up to and including termination of employment. This list should not be considered all inclusive.

1. Violating City Policy
2. Insubordination
3. Acts of negligence
4. Inefficient and/or ineffective job performance
5. Discourteous conduct or behavior to fellow employees and/or public
6. Disorderly and/or disruptive conduct
7. Failure to adhere to work schedule.

The following are **representative examples** of violations of the Code of Conduct which may result in the immediate termination of employment. This list should not be considered all inclusive.

1. Gross insubordination
2. Gross neglect of duty and/or egregious acts of negligence
3. Falsifying records
4. Willful and/or negligent destruction of property
5. Possession of weapons or other dangerous devices
6. Fighting, assault, threats
7. Unauthorized release of confidential and/or privileged information
8. Sexual Harassment
9. Theft of City services and/or property
10. Being under the influence of, or use of, drugs and/or alcohol during working hours.

## ACKNOWLEDGMENT

I hereby acknowledge that I have received a copy of the City of Harrisburg's Code of Conduct for Management Employees.

\_\_\_\_\_  
Employee (Print Name)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Witness (Management Employee)

\_\_\_\_\_  
Date

**CITY OF HARRISBURG  
STANDARD WORK RULES  
Effective January 1, 2005  
Updated June 7, 2005**

**Amended January 17, 2006 (with an effective date of January 1, 2005)  
Amended August 17, 2007 (with an effective date of September 1, 2007)**

The following Work Rules are applicable to all non-uniformed bargaining-unit employees.

Violation of any rule will result in disciplinary action up to and including termination, at the discretion of management, subject to applicable grievance procedures. When disciplinary action is taken against an employee, the City may consider the seriousness of the violation, the employee's past record, and any extenuating circumstance under which the violation occurred. These rules are not meant to be all inclusive and, when necessary, the City shall establish supplemental or new work rules.

An employee who has received discipline for a violation of a Section A Work Rule or Section D of the Work Rules may be disqualified for a position into which he or she bids for a period of twelve (12) months from the date on which discipline was issued. An employee who has received discipline for a violation of any other section of the Work Rules may be disqualified for a position into which he or she bids for a period of six (6) months from the date on which discipline was issued.

All disciplines may be used by the City at grievance hearings, arbitrations, City Council hearings, Pennsylvania Labor Relations Board hearings, or any other proceedings where such disciplines are relevant.

**SECTION A**

Any violation of the following rules may result in immediate termination. Oral and/or written reprimands will not be issued for Section A work rule violations. If an employee grieves a suspension for an infraction of a Section A work rule, the suspension issued for such will not be served until the in-house grievance process, through the third step, has been completed or the time frame allowed for such has expired.

1. Stealing - City property or property of others.
2. Theft of Services - Use of the City's time and property for personal purposes.
3. Sleeping on duty.
4. Insubordination - disobeying a supervisor's oral or written directive.
5. Willful damage to or destruction of City property, or the property of others.
6. Violation of safety rules and taking part in any activity, including fighting, which could create a safety hazard to yourself or others.

7. Possession/use of intoxicating beverages, non-prescribed drugs or related illegal controlled substances.
  - a. Consumption of intoxicating beverages, non-prescribed drugs, or related illegal controlled substances on City Property or in City-owned vehicles.
  - b. Reporting for duty under the influence of intoxicating beverages, non-prescribed drugs, prescribed drugs which are being abused, or related illegal controlled substances.
  - c. Possession of intoxicating beverages, non-prescribed drugs, or related illegal controlled substances on City property or in City-owned vehicles.
  - d. Failure to notify management of the use of prescribed drugs if such drugs may produce side effects that may prevent the employee from performing his/her job duties in a safe manner.
8. Possession of firearms or any other weapons on City property - except for fully authorized employees.
9. Providing entrance or access to City facilities or property to unauthorized persons.
10. Inappropriate access of information and/or release of information to unauthorized persons without proper approval.
11. Falsifying City records, reports, documents or correspondence.
12. Providing false information to a supervisor or member of management.
13. Failure to report off duty or to return from approved leave of absence for three (3) consecutive days (Abandonment of Position).
14. Failure to report to duty in a declared state of emergency situation without a compelling reason for absence. A state of emergency may be declared by the Mayor's Office or the respective Department Head.
15. Engaging in any form of harassment as defined in the City's Workplace Violence Policy and/or engaging in harassment as defined in the City's Non-Discrimination/Anti-Harassment Policy.

16. Solicitation or acceptance of any gift, gratuity or other form of compensation of any value whatsoever by an employee which results from the performance of any duties/responsibilities associated with employment by the City.
17. Failure to inform management when employee possesses knowledge of a fraudulent act or engaging in a conspiracy to commit fraud or committing a fraudulent act.
18. An egregious act of negligence which results, or has the potential to result, in bodily harm or financial loss to the City, its employees or its citizens.

### **SECTION B**

Any violation of the following rules or combination of rules may result in progressive discipline, as follows: counseling, written reprimand, 1-day suspension, 3-day suspension, 5-day suspension, 10-day suspension, termination.

Counseling's will be documented in writing but in a format which differs from the disciplinary action form. Counseling's will not be maintained in an employee's personnel file but will be maintained in a supervisory file and in the Mayor's Office for Labor Relations as documentation that the employee was counseled on an inappropriate action before a written reprimand was issued. Counseling's will not be grieved.

1. A demonstrated pattern of inefficiency in the performance of job assignments.
2. Any act of negligence which results in failure to complete assigned tasks or responsibilities in a timely and/or satisfactory manner.
3. Insubordination of any nature or type other than specified under Section A, Rule Number 4, including harassment, use of profane, obscene, insulting words or gestures toward the public or any City employee.
4. Discourteous conduct toward the public.
5. Horseplay or disorderly conduct.
6. Failure to report off duty at least one-half hour prior to reporting time except for pre-approved absences or extenuating circumstances.

(Call-off times as stated in this Work Rule may be adjusted at each facility in order to comply with each location's functional requirements. Notification of such adjustments shall be clearly provided to all affected employees by the facility's supervisor).

7. Failure to report for scheduled overtime on a weekend or prior to or after a holiday when posted at least forty-eight (48) hours in advance.
8. Failure to report accidents with City-owned vehicles or equipment to your immediate supervisor.
9. Abuse of telephone privileges when written policies are in effect.
10. Abuse of the internet/email privilege.

### SECTION C

Any violation of the following rules or combination of rules may result in progressive discipline, as follows: counseling, written reprimand, 1-day suspension, 3-day suspension, 5-day suspension, 10-day suspension, termination.

Counseling's will be documented in writing but in a format which differs from the disciplinary action form. Counseling's will not be maintained in an employee's personnel file but will be maintained in a supervisory file and in the Bureau of Human Resources as documentation that the employee was counseled on an inappropriate action before a written reprimand was issued. Counseling's will not be grieved.

1. Leaving an assigned work area without authorization or a valid reason.
2. Excessive absenteeism which is defined as: (1) calling off or leaving the work site when all sick and/or personal leave and/or FML has been exhausted and/or (2) a pattern of leave abuse which is defined as calling off sick or FML four (4) or more times in a calendar year before on or after: a holiday, a vacation day, a personal day, scheduled days off, on a Monday or Friday or after a payday. Any absence attributable to FML, where the current certification identifies specific dates or days when an employee will be off, or a bona fide work-related injury will not be counted for the purpose of issuing discipline.

Absences associated with a pattern of leave abuse, as defined above in point (2) which are substantiated with a bona fide doctor's excuse, will not be counted for the purpose of issuing discipline. For the purposes of this section, a bona fide doctor's excuse shall include an official doctor's certification and, for one-year pilot program period, a school nurse certification and/or day care certification, subject to verification by the City. At the end of the pilot program, the City's acceptance of school nurse and day care certifications will become permanent if, in the City's sole discretion, there is no evidence that such certifications have been abused or have resulted in increased instances of absenteeism.

If the current certification for FML does not identify specific dates or days on which an employee will be off, such will not suffice for a bona-fide doctor's excuse for absences associated with a pattern of leave abuse; a doctor's excuse for the day of the call off must be produced to insure that such absence is not counted for the purpose of issuing discipline.

A doctor's excuse will not mitigate discipline if an employee calls off sick or FML, or leaves the work site when all sick and/or personal and/or FML leave have been exhausted, except that: (1) absences on consecutive days (not to exceed three (3) work days) will be counted as one instance of absenteeism if a doctor's excuse is provided, and (2) if it is the first time that an employee calls off the day before and after a holiday, in which event such absences will be counted as one instance of absenteeism for the purpose of discipline.

3. Excessive tardiness which is defined as seven (7) or more instances of lateness in reporting for work or reporting back to work from breaks and/or lunch within a calendar year.
4. Failure to submit, at the City's request, an acceptable doctor's certificate or certification of fitness for duty, or to be examined by a City-designated physician at the City's expense in the following circumstances:
  - a. When an employee is absent due to sickness for three (3) or more consecutive days; or
  - b. When the supervisor has reason to believe that the employee has requested and/or used sick leave for a reason other than identified in Article XIV, Section 1 of the contract.
5. Failure to submit a current telephone number whereby an employee can be reached, provided employee has a phone.
6. Failure to exhibit ordinary personal hygiene, where failure reasonably threatens the employee's relations with the public or other employees by creating an unhealthy or offensive working environment.
7. Failure to dress in a manner which is appropriate and suitable for the work environment. Appropriate business attire is required for employees who routinely interact with the public.

## **SECTION D**

Any work habit, behavior or act that is not consistent with Management's expectations will be addressed under this section of the Work Rules through discipline up to and including termination of employment.

## **SECTION E**

When an employee is formally charged with criminal conduct which is job-related and/or affects the public's trust and confidence in the employee and/or the City Government, the Department Director will immediately render a preliminary determination to either:

1. Allow the employee to continue to perform duties pending the outcome of the departmental investigation and final administrative determination; or
2. Reassign the employee to other, less sensitive duties pending the outcome of the departmental investigation and final administrative determination; or
3. Suspend the employee without pay pending the outcome of the departmental investigation and final administrative determination.

In making the preliminary determination, the following factors will be considered:

1. The nature, weight, basis and source of the criminal charges against him or her;
2. The employee's explanation, if available;
3. The extent to which the criminal charges, and alleged conduct and surrounding circumstances may affect the public's trust and confidence in the employee, and in the City Government;
4. The extent to which the criminal charges, alleged conduct and surrounding circumstances may affect the employee's ability to carry out his/her duties and responsibilities effectively.

Following the preliminary determination, the Department Director will conduct a comprehensive investigation to determine what, if any, disciplinary action is appropriate. Although this investigation will be more thorough than the preliminary determination, it will not be intended to establish the employee's guilt or innocence of the formal criminal charge. Any disciplinary action taken will take into account the same factors used in making the preliminary determination, and will not be dependent upon the legal outcome of the criminal charges.

**SECTION F**  
**RULES FOR USE OF TIME CLOCKS/SIGN IN-SIGN OUT SHEETS**

1. Anyone clocking in/signing in more than six (6) minutes after his/her starting time will be docked the full 1/4 hour, and for each 1/4 hour thereafter the six (6) minutes rule will apply.  
  
Example: Seven (7) minutes beyond starting time will result in being docked fifteen (15) minutes.  
  
Twenty-two (22) minutes beyond the starting time will result in being docked thirty (30) minutes.
2. Failure to clock in or sign in or out will result in failure to be paid for that day unless approved by the supervisor.
3. Clocking in/signing in early will not be considered for normal working time unless approved by the supervisor.
4. The six-minute rule will apply for anyone clocking out/signing out early unless approved by the supervisor.
5. Clocking in-out/signing in-out for another employee will result in a three (3) day suspension for both the employee who has clocked or signed another employee in or out and the employee who was clocked in or out by another employee.
6. Changes on any time card/sign-in/sign-out sheet are prohibited unless approved by authorized personnel.
7. Approvals for supervisors require initials on the time cards/sign-in/sign-out sheets.

## ACKNOWLEDGMENT

I hereby acknowledge that I have received a copy of the City of Harrisburg's Standard Work Rules on this date.

\_\_\_\_\_  
Employee (Print Name)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Witness (Management Employee)

\_\_\_\_\_  
Date



OFFICE OF COMMUNITY & ECONOMIC DEVELOPMENT

P.O. BOX 1295  
HARRISBURG, PA 17108  
(717) 780-6250  
(717) 257-1513 FAX

**BOARD OF COMMISSIONERS**

JEFF HASTE, *CHAIRMAN*  
DOMINIC D. DiFRANCESCO II, *VICE CHAIRMAN*  
GEORGE P. HARTWICK III, *SECRETARY*

*CHIEF CLERK/ CHIEF OF STAFF*  
CHAD SAYLOR

*DIRECTOR*  
DANIEL S. ROBINSON

July 16, 2007

Mark Moseley  
Tri County Housing Development Corporation  
1514 Derry Street  
Harrisburg, PA 17104

**RE: Mt. Pleasant Homes – Homeownership Choice Project**

Dear Mr. Moseley:

The Board of the Dauphin County Affordable Housing Trust Fund met and reviewed your request for funding for the project referenced above at its July 16, 2007 special meeting. The Board supports the Tri County Housing Development Corporation (TCHDC)'s application to the Pennsylvania Housing Finance Agency for the Homeownership Choice Initiative for the Mt. Pleasant Homes Project to construct 25 affordable for-sale housing units in the City's Allison Hill neighborhood. The project provides an important opportunity in the County to meet the goals of the Act 137 of 1992 County Affordable Housing Funds Act – to increase the availability of quality housing, either sales or rental, to any county resident whose annual income is less than the median income of the county.

The Board is pleased to recommend its support to the project, with final approval due from the Dauphin County Commissioners, in the amount of \$260,000 to be allocated over a three-year period. This recommendation is contingent upon TCHDC's ability to successfully secure all required financing for the project within 12 months of this award.

The Board trusts that this investment will assist you in your efforts to secure Pennsylvania Housing Finance Agency (PHFA) funding and complete this important project. We look forward to working with you toward the completion of your endeavor, and encourage PHFA's support as well.

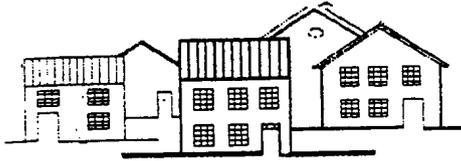
We wish you the best of luck.

Sincerely,



Daniel Robinson  
Director

Cc: Members, Affordable Housing Trust Fund Board



## TRI-COUNTY HDC, LTD.

1514 Derry Street, Harrisburg, PA 17104

(717) 231-3604

Fax: (717) 234-2227

June 2, 2009

Mr. John J. Bendel  
FHLB Pittsburgh  
601 Grant Street  
Pittsburgh, PA 15219-4455

Re: Mount Pleasant Homes, Affordable Housing Program  
Swatara and 16<sup>th</sup> Streets, South Allison Hill

Dear Mr. Bendel:

The purpose of this letter is to reiterate Tri-County HDC, Ltd.'s commitment to the Mount Pleasant Homes Affordable Housing Program as outlined in this request. As this is a HOME-eligible project, Tri-County HDC is choosing to apply recaptured HOME funds in the amount of \$253,070 to the Mount Pleasant Homes Development.

If you should have any questions concerning this commitment, feel free to contact me at (717) 231-3604 ext. 106.

Sincerely,

Raymond Spencer  
Interim Executive Director  
Tri-County HDC, Ltd.



Pennsylvania Downtown  
Center

*The Voice of Downtown Revitalization.*

130 Locust Street #101  
Harrisburg, PA 17101  
tel: 717-233-4675  
fax: 717-233-4690  
www.padowntown.org

**July 17, 2007**

Mark Moseley  
Executive Director  
Tri-County HDC, Ltd.  
1514 Derry Street  
Harrisburg, Pennsylvania 17104

RE: Funding – Elm Street Housing Demonstration Project

Dear Mr. Moseley,

This letter updates the previous *Funding - Elm Street Housing Demonstration Project* letter dated August 1, 2006.

The Pennsylvania Downtown Center (PDC) will make available funding in the amount not to exceed **Three Hundred Sixty Thousand Dollars (\$360,000)** to the Tri-County HDC, Ltd. for the purpose of an Elm Street Demonstration Housing Project. The PDC funding is intended to be used to demonstrate the benefits of building energy efficient, LEED standard housing in low-income neighborhoods, including but not limited to

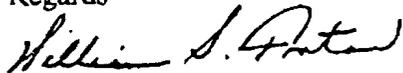
- Attracting a different market segment into the neighborhood
- Increasing neighborhood pride and ownership
- Bringing health, sustainable and efficient housing to the population in our society who could benefit the most
- Increasing the surrounding property values
- Attracting future development
- As tool to building individual wealth

The funding can be used on one or preferably multiple housing units in the proposed Mount Pleasant Housing Project so long as the home(s) meet the intent of the Elm Street Housing Project. As the project progresses, PDC would require approval of the technologies and approaches used to construction of the home(s).

The PDC looks forward to working with the Tri-County HDC, Ltd. to achieve energy efficient housing in the Elm Street Neighborhood of South Allison Hill, Harrisburg, PA.

All funds under this letter must be spent no later than June 20<sup>th</sup> 2008.

Regards



William S Fontana  
Executive Director  
Pennsylvania Downtown Center

**COMMUNITY**  
**Action**  
**COMMISSION**

Main Office  
1514 Derry Street • Harrisburg, PA 17104  
Phone (717) 232-9757 • Fax (717) 234-2227  
E-mail: lfigueroa@cactricounty.org  
Website: www.cactricounty.org

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**Responsive. Resourceful. Results!**

May 22, 2007

Mr. Mark Moseley  
Tri County Housing  
1514 Derry St.  
Harrisburg, PA 17104

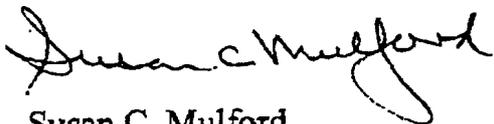
Dear Mr. Moseley,

This is to confirm that your organization will be receiving \$38,000 to be used for demolition costs for the property at 16<sup>th</sup> and Swatara Streets.

I am pleased that we are able to assist your project.

If you have any questions, please feel free to contact me.

Sincerely,



Susan C. Mulford  
Neighborhood Plan Coordinator

November 15, 2007

**Commitment Letter**

Mark Moseley, Executive Director  
Tri-County Housing Development Corp.  
1514 Derry Street  
Harrisburg, PA 17104

**Re: HOMEOWNERSHIP CHOICE PROGRAM**  
*Homeownership Construction Initiative*  
**Mount Pleasant Homes (S-4068, HCI-2007)**

Dear Mr. Moseley:

On October 11, 2007, the Board of the Pennsylvania Housing Finance Agency (the "Agency") granted a Preliminary Reservation of Funding/Conditional Loan Commitment to provide financing for the above-referenced development in connection with the Agency's **HOMEOWNERSHIP CONSTRUCTION INITIATIVE**.

The purpose of this letter is to set forth the terms and conditions of the Agency's offer to provide a loan to Tri-County Housing Development Corp. ("Borrower").

The Agency's loan of Nine Hundred Ninety Thousand Dollars (\$990,000) (the "Loan"), will provide financing for the "Development", which is located in the City of Harrisburg, County of Dauphin, Pennsylvania and which is more particularly described in the application submitted by Borrower and the Loan Agreement signed at closing.

The Agency's commitment to provide financing is subject to certain conditions some of which are described below. Reference must be made to the Loan Documents in which all of the applicable loan program requirements are contained. Such program requirements as set forth therein are incorporated herein by reference (in the event of any conflict between this Commitment Letter and any of the Loan Documents evidencing this transaction, it is the parties' intent that the terms of the respective Loan Documents shall govern), the Pennsylvania Housing Finance Agency Act as set forth in 35 P.S. Section 1680.101 et seq. (the "Act") and the **HOMEOWNERSHIP CONSTRUCTION INITIATIVE REQUEST FOR PROPOSALS** for a full description of the terms and conditions of the financing.

The documents evidencing the transaction will be in the form prescribed by the Agency as outlined on the Closing Index attached hereto as Exhibit A and incorporated herein, by this reference. Such documents are referenced hereinbefore and hereinafter as "Loan Documents".

**1. Borrower and Borrower's Relinquishment of Interest**

Borrower is Tri-County Housing Development Corp., a Pennsylvania non-profit corporation, with its principal office at 1514 Derry Street, Harrisburg, PA 17104.

Borrower may not assign its interest in the Development, nor convey, sell, transfer, or otherwise pass interest in the Development, this Commitment or the partnership without the Agency's prior written approval.

Borrower has identified other entities who are engaged as material participants in its application for funding. The Agency's funding for this Development is contingent upon continued involvement by all such material participants, unless the Agency provides prior written approval of addition, deletion or substitution of such entities in the Development.

**2. The Loan: Fees and Terms of Payment**

A. Amount - The Agency agrees to lend Borrower an amount not in excess of Nine Hundred Ninety Thousand Dollars (\$990,000).

B. Disbursement - At the initial loan closing, Loan proceeds will be disbursed in accordance with the Loan Agreement.

C. Repayment - The Loan, which is funded through the Agency's **HOMEOWNERSHIP CONSTRUCTION INITIATIVE**, shall be repaid in accordance with the PHFA Note, which shall provide as follows:

(i) Payment of principal by the Borrower may be deferred during the initial 30 years of Development operation; PROVIDED, HOWEVER, that in the event there is an uncured default in the Development or a termination of the Development, repayment shall be due as provided in the PHFA Note.

(ii) There will be no interest due and payable by the Borrower on the Loan except for default interest as provided in the PHFA Note.

(iii) Any unpaid balance of principal remaining under the terms of the PHFA Note shall be due and payable upon the occurrence of an event of default by Borrower under the Loan Documents, or upon termination of the Development.

**3. Loan Closing Requirements**

A. Ancillary Funding Sources - The Agency's commitment to provide the Loan is conditioned upon satisfactory evidence that the following Ancillary Funding Sources for the Development have been committed, that all conditions for funding have been satisfied by Borrower and all funds are currently available to be used in connection with the Development:

- (i) City of Harrisburg – HOME Funds ..... \$500,000
- (ii) Reinvested HOME Program Funds ..... \$253,070
- (iii) Elm Street Funding ..... \$368,000
- (iv) FHLB – Affordable Housing Program Funds ..... \$500,000
- (v) Dauphin County Act 137 Funds ..... \$260,000

The documents involved in connection with each of the ancillary funding sources shall be in a form and manner acceptable to the Agency.

B. Loan Closing - Borrower and the Agency shall conduct a loan closing within 60 days from the date of this Commitment Letter.

C. Construction - Actual construction of homes must commence within 12 months of Agency Board approval or loan funds will be recaptured by the Agency. If Borrower starts construction and/or renovations on the Development prior to the Agency's loan closing, the Agency shall have the right to monitor the Development as the work progresses.

D. Recapture of Funds - In the event that the loan does not close within the above referenced period and/or actual construction has not commenced within 12 months of Agency Board approval, Preliminary Reservation of Funding/Conditional Loan Commitment will be cancelled, rescinded and funds automatically recaptured by the Agency.

E. Additional Funding Requests - The Agency reserves the right to deny or delay funding of additional Developments until the current Development has closed and construction and/or renovations have commenced.

#### 4. Exculpatory Clauses

Neither the Agency nor any member, officer, agent or employee of the Agency shall be liable for any matter arising out of or connected with this Commitment or the Development.

Borrower shall only be liable for the payment of the indebtedness created by the Loan (including the payment of all costs and expenses incurred by the Agency in connection therewith) upon the occurrence of an event of default under the terms of the PHFA Note or other Loan Documents as provided therein. Otherwise, the Agency is expecting to obtain repayment of the indebtedness set forth in the PHFA Loan Documents from the proceeds of an Investment Security purchased, held and maintained by the Agency from amounts disbursed at the initial Loan disbursement. The Investment Security will accrete in value for a period of thirty (30) years to the amount of the original principal amount of the Loan. At no time will the Investment Security be available to the Borrower; said security is available solely to the Agency to repay the principal amount of the Loan. Borrower shall have no responsibility in the event such Investment Security fails to accrete at the expected levels. In the event Borrower observes the covenants and conditions set forth in the Loan Documents for the term set forth therein, Borrower shall have no obligation to repay the Loan.

#### 5. Termination, Breach of Commitment, Damages for Breach

A. The Agency may terminate this Commitment to finance the Development if:

(i) within 15 days from the date above, this letter has not been executed by or on behalf of Borrower and returned to the Agency; or

(ii) within 60 days from the date above, Borrower and the Agency have not conducted the loan closing for the Project; or

(v) Borrower fails to deliver all ancillary funds or satisfactory evidence of receipt of the ancillary funds as provided in this Commitment at initial loan closing; or

(vi) Borrower fails to fully comply with any of the Agency's requirements for closing the Loan by the initial loan closing date; or

(vii) Borrower fails to comply with the terms and conditions of the Loan Documents and this Commitment; or

(viii) Borrower fails to begin actual construction within 12 months of the date of Agency Board approval; or

(ix) Borrower materially misrepresents or fails to disclose to the Agency any facts, information or data in connection with applying for the Loan or in connection with constructing or maintaining the Development that would adversely affect the Agency's interest in the Development.

B. In the event the Agency rescinds this Commitment or fails to make the Loan for any reason, Borrower does hereby release and discharge the Agency, its successors and assigns, from any and all claims, liabilities, damages or judgments in law or equity, pertaining to the Development against the Agency.

C. The Borrower shall submit all documents (other than documents which are to be provided by the Agency) required to close the Loan to the Agency for its review at least five (5) business days prior to the date of the initial loan closing.

#### **6. Pending Legal Actions, Approvals and Project Requirements**

Borrower certifies by accepting this Commitment that it neither knows nor has reason to know of any legal action pending or threatened or of any proposed changes in zoning, which would prevent the Development from being commenced, completed, transferred and conveyed and used for the purposes contemplated herein upon completion in accordance with existing zoning laws and requirements. Borrower agrees to notify the Agency of any facts or circumstances which arise hereafter which have given rise to any legal action or a proposed change in zoning which would prevent the rehabilitation or construction from being commenced, completed or placed in service.

By executing this letter, Borrower certifies that all final subdivision approvals have been obtained. Borrower further certifies that all federal, state and local requirements for construction and rehabilitation have been identified and complied with, including local building fire and safety protocols, historic property and museum commission reviews and certifications, environmental clearances and testing, hazardous material evaluation and work plans, asbestos and lead paint assessments and testing, flood plain evaluation.

Borrower further certifies that the Development is to be constructed substantially in accordance with plans and specifications titled "Mount Pleasant Homes", prepared by timothy Paul Allen, Architect. Contract drawings and specifications are subject to final review by the Agency prior to the initial loan closing. All applicable federal or state wage rates have been clearly identified and appended to the construction contracts and specifications.

Additionally, Borrower certifies that the Development will be compliant with all additional federal and state requirements for construction and development of accessible housing for persons with disabilities, including the Fair Housing Act of 1988 as amended, Section 504 of the Rehabilitation Act of 1974, as amended, the Pennsylvania Universal Design Act and any local building code requirements.

7. **Amendments**

This Commitment may be amended in writing upon the mutual agreement of the Agency and Borrower. The terms and conditions of this Commitment shall survive and shall not merge at loan closing unless specifically provided in writing.

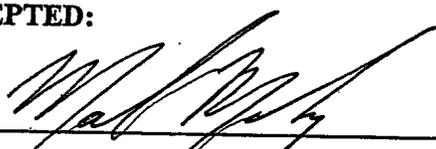
The Agency reserves the right to provide this loan either directly or through a loan agreement with Commonwealth Cornerstone Group, a Pennsylvania non-profit corporation, which may facilitate participation in the U.S. Department of Treasury's Community Development Financial Institutions New Markets Tax Credit ("NMTC") Program. Participation in the NMTC Program is restricted to developments located in certain qualified census tracts and may necessitate slight modifications in the terms and conditions set forth herein.

Sincerely,



Brian A. Hudson  
Executive Director

**ACCEPTED:**

By: 

Name: Mark Moseley

Title: Executive Director

Date: 1/28/08

**Attachments:**

Exhibit A -- PHFA Closing Index

# CITY OF HARRISBURG



Department of Building and Housing Development  
Bureau of Housing · Bureau of Codes · Bureau of Planning  
*Stephen R. Reed, Mayor*

June 1, 2009

Mr. Christopher Rockey  
Tri-County Housing Development Corporation  
1514 Derry Street  
Harrisburg, PA 17104

RE: Mt. Pleasant Homes, Homeownership Choice Initiative  
Swatara and 16<sup>th</sup> Streets, South Allison Hill

Dear Mr. Rockey,

I write today to underscore the City of Harrisburg's support for the above-referenced project and for your application to the Pennsylvania Housing Finance Agency for the Homeownership Choice Initiative. Tri-County's proposed project is an effective example of both affordable housing development and neighborhood revitalization.

The proposed 2009 HOME Investment Partnership budget commits \$200,000 of HOME funds to Mt. Pleasant Homes Project. This is the fourth and final installment of a four-year commitment to assist you in the development of 25 new for-sale housing units.

Pending final City Council approval for Mt. Pleasant Homes, the total cumulative commitment of local funds will be \$500,000. We will work together to finalize the details of your commitments once approval is granted.

Overall, I trust that this investment will assist you in your efforts to secure PHFA funding and complete this important project. I look forward to working with you to deliver the City's local contribution to your endeavor, and I encourage PHFA's support as well.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathy A. Possinger', is written over a horizontal line.

Kathy A. Possinger  
Deputy Director for Housing

cc: Mayor Stephen R. Reed  
Daniel C. Leppo  
✓file

L:\3 Housing\HOUSING\LETTERS\2009\PHFA Support - TCHDC Swatara Revitalization09.doc

10 N. Second Street, Harrisburg, Pennsylvania 17101-1677  
Phone: 717-255-6480 • FAX: 717-255-6421 • TDD: 717-255-3131

PPL Electric Utilities  
Two North Ninth Street  
Allentown, PA 18101-1179  
Tel 610.774.5151  
<http://www.pplweb.com/>



May 16, 2008

Ms. Eve Wachhaus  
Executive Director  
Habitat for Humanity -Greater Harrisburg Area  
PA United Church Center  
900 S. Arlington Ave, Suite 235  
Harrisburg, PA 17109-5024

Dear Eve:

It is with great pleasure that I am able to inform you of PPL Electric Utilities intent to assist Habitat for Humanity Greater Harrisburg Area with their upcoming October 2008 Builder Blitz project. PPL Electric Utilities will be committing \$20,000.00 to the five (5) new homes being built during the October Builder Blitz. The commitment will be in the form of an Energy Audit and RESNET certification for each unit, compact fluorescent lights and some high efficiency lighting fixtures for each unit, additional weatherization work to bring the units up to pass RESNET and Energy Star rating, and Energy Star washers and dryers for all five (5) new units.

PPL Electric Utilities would like to thank you for giving us this opportunity to showcase some new energy efficiency building concepts that will ultimately reduce the energy usage for the new Habitat Homeowners.

We hope that you find our commitment proposal satisfactory and if you have any questions please do not hesitate to call me directly on 610-774-4981.

Sincerely,

A handwritten signature in black ink that reads "Kenneth L. Hill". The signature is written in a cursive, flowing style.

Kenneth L. Hill  
Customer Programs Specialist

Cc: Bert Daday  
Don Bernhard  
Jim Nulton  
Joe Mezio

## **Eve Wachhaus**

---

**From:** Donna Martin [DMartin@habitat.org]  
**Sent:** Tuesday, June 10, 2008 11:07 AM  
**To:** ewachhaus@paonline.com  
**Cc:** Melody Travis  
**Subject:** Schneider Electric Build Agreement  
**Attachments:** Greater Harrisburg Area Habitat for Humanity.pdf

Attached is a copy of the build agreement for your upcoming build with Schneider Electric. The build agreement includes the following attachments:

- Sample Build Schedule

The build agreement is a legally binding document. Upon receipt of this agreement, please:

- Review the agreement
- Compile all necessary documentation; Proof of Title, Certificate of Insurance, Safety Plan, Construction Schedule
- Fax or email a signed copy of the agreement along with all corresponding documentation to Sybil Carter at 229-410-7132 or [sycarter@habitat.org](mailto:sycarter@habitat.org).

Should you have any questions about this build agreement, please contact me at 229-410-7948 or [dmartin@habitat.org](mailto:dmartin@habitat.org)

In accordance with the terms outlined in the house sponsorship term sheet, we request that this build agreement be returned within the next 15 days. **Funding will be distributed upon receipt of the build agreement and corresponding documentation.** We are excited about this partnership and look forward to a successful build!



Donna Martin  
Corporate Services Project Administrator

Habitat for Humanity International  
322 West Lamar Street  
Americus, GA 31709  
Direct Phone Number: 229-410-7948  
Direct Fax Line: 229-410-7014  
800-422-4828, ext. 7948  
[dmartin@habitat.org](mailto:dmartin@habitat.org)

## HOUSE SPONSORSHIP AGREEMENT

This House Sponsorship Agreement (the "House Sponsorship Agreement") is entered into between Habitat for Humanity International, Inc. ("HFHI"), a Georgia not-for-profit Corporation and Greater Harrisburg Area Habitat for Humanity (the "Affiliate") for the construction of a single residential unit (the "Sponsored House").

### WITNESSETH:

**WHEREAS**, HFHI is a Christian housing organization dedicated to building low cost housing with low-income families; and

**WHEREAS**, the Affiliate is a Christian housing organization dedicated to building low cost housing with low-income families in accordance with guiding principles developed by HFHI; and

**WHEREAS**, Schneider Electric (the "Sponsor") has entered into an agreement with HFHI to provide sponsorship funds towards the construction of sponsored houses by HFHI Affiliates;

**NOW, THEREFORE**, HFHI and Affiliate hereby agree as follows:

1. FUNDING.

(a) HFHI will provide to the Affiliate funds in the amount of \$30,000 for the construction of the Sponsored House (the "Sponsorship Funds"). The Sponsorship Funds shall be distributed to the Affiliate as follows:

(i) \$30,000 shall be distributed to the Affiliate upon HFHI's receipt of all items listed in Section 1(e) below.

(ii) \$ NA shall be distributed to the Affiliate once the Affiliate has supplied HFHI with a copy of a Certificate of Occupancy for the completed Sponsored House.

(b) The Sponsorship Funds must be used to cover the direct cost of construction of the Sponsored House and may not be used by the Affiliate to cover other items such as administrative expenses.

(c) The Affiliate shall be responsible for any and all costs incurred in connection with the construction of the Sponsored House that are not covered by the Sponsorship Funds, except as set forth in Section 1(d) below.

(d) In the event that the Sponsor or HFHI secures donations of product for the construction of the Sponsored House, the Affiliate will utilize the donated product in the construction of the Sponsored House, only as directed by HFHI.

(e) Notwithstanding any other provisions of this House Sponsorship Agreement, no Sponsorship Funds will be made available to the Affiliate until HFHI has received the following documentation from the Affiliate:

(i) Proof that the Affiliate has good and marketable title to the land on which the Sponsored House will be built (the "Project Site").

(ii) Certificate of Insurance evidencing coverage in the following amounts:

A. General Liability coverage in the amount of not less than \$1 million per occurrence. Such coverage shall name HFHI and the Sponsor as additional insured under the policy.

B. Volunteer Accident coverage in the amount of not less than \$250,000 per accident, or otherwise through the Habitat for Humanity International Insurance Program.

C. Automobile insurance coverage for any vehicles maintained by the Affiliate in an amount at least equal to \$1 million; and

D. Worker's compensation coverage with medical and disability coverage in an amount equal to the statutory limits and with employer's liability coverage in an amount at least equal to \$1 million.

Any insurance coverage obtained by the Affiliate shall be with a carrier acceptable to HFHI.

(iii) Proof of the Affiliate's Safety Plan in accordance with Section 2(b) below.

(iv) A construction schedule as agreed to by HFHI and the Affiliate for the completion of the Sponsored House (the "Construction Schedule"). The Construction Schedule shall be in a form substantially similar to the sample construction schedule in the attached Exhibit A unless the parties agree to follow a blitz or accelerated build schedule.

(v) Other documentation as may be reasonably required by HFHI.

2. RESPONSIBILITIES OF THE AFFILIATE.

(a) Construction:

(i) The Affiliate will work with HFHI in setting the Construction Schedule for the Sponsored House.

(ii) The Affiliate shall be solely responsible for the selection and procurement of the Project Site.

(iii) The Affiliate shall appoint a project manager to be responsible for the coordination of the construction of the Sponsored House.

(iv) The Affiliate shall build the Sponsored House in accordance with HFHI practices and procedures.

(v) The Affiliate shall provide all building materials, services and project management for the construction of the Sponsored House, except as provided in Section 1(d) above.

(vi) The Affiliate shall be responsible for ensuring completion of the Sponsored House in accordance with the Construction Schedule and all applicable building codes and regulations.

(vii) The Affiliate shall be responsible for securing all volunteers for the construction of the Sponsored House. However, the Affiliate will work with HFHI and the Sponsor to provide opportunities for employees of the Sponsor to participate in the construction of the Sponsored house.

(b) Safety Plan: The Affiliate shall be responsible for developing a written safety plan for the construction of the Sponsored House. The safety plan shall comply with the Habitat for Humanity Construction Safety Guide, including the provisions relating to the use of volunteers under the age of 18 on the Project Site, and OSHA requirements. The Affiliate will designate a safety coordinator for the Project Site who shall be responsible for implementing the safety plan. The safety coordinator may not be responsible for overseeing any part of the actual construction of the Sponsored House. The Affiliate shall provide each volunteer at the Project Site with appropriate safety equipment, including hard hats, goggles and ear plugs, and shall ensure that they be used at all appropriate times. The Affiliate will supply all power tools on the Project Site, and they shall meet all safety standards. Any scaffolding used on the Project Site will comply with all applicable safety standards. The Affiliate will require all volunteers to sign waivers of liability in favor of the Affiliate, HFHI and the Sponsor.

(c) Homeowners: The Affiliate shall be responsible for the selection of a homeowner to become the owner of the Sponsored House upon completion (the "Homeowner"). The Affiliate agrees to sell the Sponsored House to the Homeowner selected and approved by the Affiliate for an amount to be determined by Affiliate in accordance with HFHI's house pricing guidelines and to provide the Homeowner with a zero percent mortgage to zero percent (0%) interest for a term determined by Affiliate.

(d) Record Keeping: The Affiliate shall keep an accurate record of all expenditure of the Sponsorship Funds. The Affiliate will provide such record in writing to HFHI within twenty-one (21) days of completion of the Sponsored House.

(e) Recognition of Sponsor: The Affiliate shall place signage at the Sponsored House listing the Sponsor as the house sponsor, in accordance with guidelines provided by HFHI from time to time. Separate in-kind product donation signage may also be placed.

(f) Publicity: The Affiliate agrees to work with HFHI and the Sponsor, as requested, to develop joint publicity opportunities for the Event construction of the Sponsored House on both local and national levels.

3. USE OF SPONSOR LOGO, TRADEMARK AND TRADE NAME.

(a) Sponsor owns or has a license to all rights, title and interest in and to Sponsor's name, logos, trademarks, service marks and trade name (the "Sponsor Marks"). The Affiliate agrees that it will not in any way dispute, or do anything to impair the validity of Sponsor's rights in the Sponsor Marks or Sponsor's sole ownership and right to use and control the use of the Sponsor Marks. The Affiliate further agrees that all use of the Sponsor Marks shall inure to the benefit of and be on behalf of Sponsor and the Affiliate agrees that nothing in this House Sponsorship Agreement shall give the Affiliate or any other party any right, title or interest in the Sponsor Marks other than to use the Sponsor Marks only in accordance with the terms of this House Sponsorship Agreement.

(b) Sponsor has granted to HFHI and its affiliates a non-exclusive, non-transferable, royalty-free license for the territory of the United States and its possessions to use the Sponsor Marks only in accordance with specifications that Sponsor shall provide HFHI from time to time. HFHI shall forward such specification to the Affiliate when necessary. HFHI must submit to Sponsor for approval all materials, publications and/or advertisements, in any media that include the Sponsor Marks and will be distributed to third parties. Affiliate must therefore submit to HFHI all such materials, publications and/or advertisements so that Sponsor's prior written approval may be obtained before distribution by HFHI, the Affiliate or any third party.

- (c) The Affiliate represents and warrants that:
  - (i) Each time the Affiliate reproduces and/or republishes the Sponsor Marks, it shall also reproduce the trademark notice as provided by Sponsor, as appropriate, and that prior approval for any such use will be obtained in writing from Sponsor, in accordance with Section 3(b) above.
  - (ii) The Sponsor Marks are used in a form identical to that provided without alteration.
  - (iii) No use of the Sponsor Marks will be made which could adversely affect the reputation of good will of the Sponsor.
- (d) The Affiliate is not authorized to sell, assign, license, sublicense or otherwise transfer the Sponsor Marks to any third party, or to reproduce the Sponsor Marks in any manner not consistent with the provisions of this House Sponsorship Agreement.

4. USE OF HFHI'S LOGO, SERVICE MARK AND NAME.

- (a) HFHI owns all rights title and interest in and to the Habitat for Humanity name and service mark (the "HFHI Marks"). The Affiliate agrees that it will not in any way dispute, or do anything to impair the validity of HFHI's rights in the HFHI Marks or HFHI's sole ownership and right to use and control the use of the HFHI Marks. The Affiliate further agrees that all use of the HFHI Marks by the Affiliate shall inure to the benefit of and be on behalf of HFHI and the Affiliate agrees that nothing in this Agreement shall give the Affiliate any right, title or interest in the HFHI Marks other than to use the HFHI Marks only in accordance with the terms of this House Sponsorship Agreement.
- (b) HFHI grants to the Affiliate a non-exclusive, non-transferable, royalty-free license for the territory of the United States and its possessions to use the HFHI Marks only in accordance with the specifications that HFHI shall provide the Affiliate from time to time and only for use in connection with this House Sponsorship Agreement. This license is granted for the term of this House Sponsorship Agreement. The Affiliate shall submit to HFHI for approval all materials, publications and/or advertisements, in any media, that include the HFHI Marks that will be distributed by the Affiliate to third parties. HFHI shall approve such items bearing the HFHI Marks before their distribution by the Affiliate or a third party.
- (c) The Affiliate represents and warrants that:
  - (i) Each time the Affiliate reproduces and/or republishes the HFHI Marks, it will reproduce the service mark notice "Habitat for Humanity™," "Habitat for Humanity®," or other notice provided

by HFHI and that prior approval for any such use will be obtained in writing from HFHI.

- (ii) The HFHI Marks are used in a form identical to that provided by HFHI, without alteration.
- (iii) No use of HFHI Marks will be made which could adversely affect the reputation or goodwill of HFHI.

(d) The Affiliate is not authorized to sell, assign, license, sublicense or otherwise transfer the HFHI Marks to any third party, or to reproduce the HFHI Marks in any manner not consistent with the provisions of this Agreement.

(e) The Affiliate shall not use the HFHI Marks in any manner which, in the opinion of counsel to HFHI, would cause any income received by HFHI or the Affiliate pursuant to this Agreement to be taxed as unrelated business taxable income under the provisions of the Internal Revenue Code of 1986.

5. Term:

The term of this House Sponsorship Agreement shall commence as of the date first written above and shall continue until the Affiliate has received final payment of the Sponsorship Funds from HFHI.

6. Force Majeure:

If either party is prevented from complying, either totally or in part, with any of the terms of this House Sponsorship Agreement by reason of fire, flood, storm, strike, lockout or other labor trouble, riot, war, rebellion, accident or other acts of God, then upon written notice to the other party, the affected provisions and/or requirements of this House Sponsorship Agreement shall be suspended during the period of such disability. During such period, the non-disabled party may seek to have its needs, which would otherwise be met hereunder, met by others without liability to the disabled party hereunder. The disabled party shall make all reasonable efforts to remove such disability within (30) days of giving notice of such disability. If the disability continues for more than ten days after the cessation of the reason for such disability, the non-disabled party shall have the right to terminate this Agreement, and neither party shall thereafter have any further rights or obligations hereunder, except as set forth in Section 11.

7. Notice:

All notices, reports and receipts shall be in writing and shall be deemed duly given on (i) the date of personal or courier delivery; (ii) the date of transmission by telecopy or other electronic transmission service, provided a confirmation copy is also sent no later than the next business day by postage paid, return receipt requested first-class mail; or (iii) three (3) days after sending by receipt requested first-class mail, addressed as follows:



restrict either party's right to develop, use or market products or services similar to or competitive with those of the other party disclosed as Confidential Information as long as the recipient shall not thereby breach this Agreement.

11. Survival:

The provisions of Paragraphs 6, 7, 8, 10, 11, 13, 14, and 15 hereof shall survive any termination of this Agreement.

12. Independent Contractor:

Nothing contained herein shall be deemed or construed to create any partnership between the parties. All operations by each party under the terms of this Agreement shall be carried on by it as an independent contractor and not as an agent for the other.

13. No Waiver:

No consent to or waiver of any breach or default in the performance of any obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance of any of the same or any other obligations hereunder. Failure on the part of any party to complain of any act or failure to act of any other party or to declare any party in default, irrespective of the duration of such failure, shall not constitute a waiver of rights hereunder, and no waiver hereunder shall be effective unless it is in writing and executed by the party waiving the breach or default hereunder.

14. Severability:

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement. Notwithstanding the foregoing, if a material provision is held to be unenforceable (other than agreements to agree or to review), the party receiving the benefit of the provision, or either party if both benefit, may terminate the Agreement by written notice to the other party within thirty days after the provision is held to be prohibited or invalid. In the event of such termination, the parties shall promptly endeavor in good faith to enter into a substitute agreement.

15. Entire Agreement.

This Agreement represents the full understanding of the parties hereto and supersedes and replaces any prior or contemporaneous oral or written agreements between the parties concerning this Sponsorship. This Agreement may not be changed or modified except by written agreement signed on behalf of both parties.

[signature page follows]

IN WITNESS WHEREOF the parties hereto, acting by and through their duly authorized representatives, have executed this Agreement in several counterparts, each of which shall be deemed an original, as of the date set forth above.

HABITAT FOR HUMANITY INTERNATIONAL, INC.

\_\_\_\_\_  
By: Scott Anderson – Sr. Director of Corporate Programs

GREATER HARRISBURG AREA HABITAT FOR HUMANITY

\_\_\_\_\_  
By: Eve Wacchhaus – Executive Director

\_\_\_\_\_  
Date

HABITAT FOR HUMANITY OF THE GREATER  
HARRISBURG AREA

---

**FACSIMILE TRANSMITTAL SHEET**

---

TO:  
Kathy Possinger

FROM:  
Eve Wachhaus

COMPANY:  
Department of Building and  
Housing Development

DATE:  
7/13/2009

FAX NUMBER:  
717.255-6421

TOTAL NO. OF PAGES  
INCLUDING COVER:  
~~15~~ 7

PHONE NUMBER:  
717.255-6480

SENDER'S REFERENCE  
NUMBER:

RE:  
Letters, ACH transfers

YOUR REFERENCE NUMBER:

---

URGENT     FOR REVIEW     PLEASE COMMENT     PLEASE REPLY     PLEASE RECYCLE

---

NOTES/COMMENTS:

Dear Kathy:

Attached is the bank statement showing the ACH transfer of \$30,000 from Square D, and the two letters we discussed last week.

Eve Wachhaus  
Executive Director  
Habitat for Humanity of the Greater Harrisburg Area  
[ewachhaus@paonline.com](mailto:ewachhaus@paonline.com)  
717-712-5052 cell  
717-545-0096 fax

---

900 S ARLINGTON AVE SUITE 235 HARRISBURG PA 17109  
717 545 7299

Account Activity (Cont. for Acct# 761026118)

| Date  | Description  | Credits     | Debits      | Balance      |
|-------|--|-------------|-------------|--------------|
| 12-02 | GLOBAL PAY<br>GLOBAL STL 200812<br>167810897                     |             | \$15.95     | \$69,120.74  |
| 12-03 | AMERICAN EXPRESS<br>COLLECTION 081203<br>23715171                |             | \$5.95      | \$69,114.79  |
| 12-04 | HABITAT FOR HUMANITY<br>PAYMENT JNL 081203<br>248330             | \$30,000.00 |             | \$99,114.79  |
| 12-04 | DEPOSIT  | \$3,222.00  |             | \$102,336.79 |
| 12-04 | GLOBAL PAY<br>GLOBAL DEF 200812<br>67810897                      | \$40.00     |             | \$102,376.79 |
| 12-05 | DEPOSIT  | \$800.00    |             | \$103,176.79 |
| 12-05 | CHK CARD PUR 626873<br>KINGINSPIR HUGGINS PRIN<br>727456181821CA |             | \$1,017.00  | \$102,159.79 |
| 12-06 | DEPOSIT  | \$750.00    |             | \$102,909.79 |
| 12-08 | PAYCHEX INC PAYROLL<br>2928980000237X                            |             | \$6,234.42  | \$96,675.37  |
| 12-08 | CHK CARD PUR 223<br>OFFICEMAX OFFICEMAX<br>HARRISBURG PA         |             | \$157.38    | \$96,517.99  |
| 12-08 | CHK CARD PUR 122246<br>DUNKIN DUNKIN 3443<br>HARRISBURG PA       |             | \$11.08     | \$96,506.91  |
| 12-09 | DEPOSIT  | \$1,050.00  |             | \$97,556.91  |
| 12-09 | PAYCHEX TRS TAXES<br>128108<br>2928980000233X                    |             | \$2,734.68  | \$94,822.23  |
| 12-09 | CHECK 5236   |             | \$14.89     | \$94,807.34  |
| 12-10 | DEPOSIT  | \$155.80    |             | \$94,963.14  |
| 12-10 | CHECK 5232   |             | \$1,466.68  | \$93,496.46  |
| 12-10 | PAYCHEX EIB INVOICE<br>081210<br>X2909800000235                  |             | \$213.68    | \$93,282.78  |
| 12-10 | SOVEREIGN BANK LOAN<br>FRANC                                     |             | \$199.20    | \$93,083.58  |
| 12-11 | CHECK 5239   |             | \$103.23    | \$92,980.35  |
| 12-11 | CHECK 5299   |             | \$47,006.11 | \$45,974.24  |
| 12-11 | CHECK 5291   |             | \$687.91    | \$45,286.33  |
| 12-11 | CHECK 5290   |             | \$434.45    | \$44,851.88  |
| 12-11 | CHECK 5302   |             | \$488.29    | \$44,363.59  |
| 12-11 | CHECK 5298   |             | \$250.00    | \$44,113.59  |
| 12-11 | CHECK 5294   |             | \$75.00     | \$44,038.59  |
| 12-12 | DEPOSIT  | \$1,100.00  |             | \$45,138.59  |
| 12-12 | ANALYSIS FEES<br>ANALYSIS 118008<br>761026118                    |             | \$25.00     | \$45,113.59  |
| 12-12 | CHECK 5307   |             | \$326.00    | \$44,787.59  |
| 12-12 | CHECK 5300   |             | \$284.77    | \$44,502.82  |
| 12-12 | CHECK 5301   |             | \$520.00    | \$43,982.82  |
| 12-15 | CHK CARD PUR 184491<br>ZWRLSSIM ZWRLSSIM RV<br>800-9220284 GA    |             | \$356.39    | \$43,626.43  |



*Help build it!*

July 8, 2009

Honorable Stephen R. Reed  
Martin Luther King Building  
10 North Second Street  
Harrisburg, PA 17101-1681

Dear Mayor Reed,

I am writing to ask that you consider waiving the permitting fees associated with the water and sewer street cuts needed for the completion of three of our Habitat for Humanity homes: the Andersen Build home of the Jones Family, the Silver Spring Presbyterian Church and the Women Build duplex, homes of the Kamel/Mussa and the Roberts Families. These homes have been built on two alleys: Brady St. and Bailey St., which do not have water lines.

We must have our plumber complete greater-than-typical street cuts to bring water to these homes. And, while we fully understand our commitment to providing simple, decent and affordable housing to each of these families, we ask you to assist us by waiving the permitting expense associated with these street cuts. Our commitment is solid, yet our finances are stretched – can we count on you to help alleviate this expense?

Mayor Reed, we thank you for standing with us at the groundbreaking of each of these three homes. Habitat for Humanity has been building in our City for the last 23 years and we recognize that your efforts have been instrumental in our success. Moreover, we are privileged to work with the Department of Building and Housing Development transforming our Habitat neighborhoods in Allison Hill and Summit Terrace, and greatly enjoying a positive working relationship with their office. Let's get these families in their homes and let's make poverty housing and homelessness socially, politically, and religiously unacceptable in our community, nation and world.

With sincere appreciation of your partnership as we build adequate and basic housing, I am

Eve Wachhaus

Executive Director

Cc: Dan Leppo

Kathy Possinger

PA United Church Center, 900 S. Arlington Ave, Ste 235, Harrisburg, PA 17109-5024

Phone: (717) 545-7299 Fax: (717) 545-0096 [www.harrisburghabitat.org](http://www.harrisburghabitat.org)



*Help build it!*

July 10, 2009

Ms. Kathy Possinger  
Deputy Director  
Dept. of Building & Housing Dev.  
City of Harrisburg  
10 N. Second St. - Suite 206  
Harrisburg PA 17101-1681

Dear Ms. Possinger,

I am writing to request that the City of Harrisburg, Department of Building and Housing Development, review our request to modify the scope of our Community Development Block Grant for Oct 1, 2007- Sept 30, 2008.

Habitat for Humanity of the Greater Harrisburg Area originally applied for \$42,000 for 30 Home Repairs which included \$20,000 for salary. We were awarded \$20,000, and revised the budget to include travel, construction materials and tools, and construction contracts. With an award of 40 % of our request, we were still able to complete 11 Home Repairs and did so without any construction contracts or travel expenses.

While our revised budget was a good estimate of anticipated expenses, we did not foresee that we would receive generous in-kind contributions of construction materials. Our actual expenses were less than anticipated as we were able to use more donated materials and volunteer labor. Therefore, we respectfully ask that the CDBG be modified to allow us to invoice for salary, as originally requested in the application, associated with these 11 Home Repairs.

I have attached a revised budget for this CDBG that reduces the construction materials and tools line item, deletes construction contracts and travel and

adds salary. Of note: while we applied for funding for a Home Repair Manager's salary, this position was vacant during the grant year. Instead of filling this position, the Construction and Assistant Construction Managers took on the responsibilities of this program. The salaries of the Construction and Assistant Construction Managers are programmatic direct cost, and not administrative.

We, at Habitat for Humanity of the Greater Harrisburg Area, remain fully committed to partnering with the City of Harrisburg to identify homes in need of repairs and families in need of programmatic support, as we have done for the last seven years. We also remain committed to keeping the costs of Home Repairs down by utilizing volunteer labor and donated materials, whenever possible. We, too, are thankful that people within our community have provided more donations of time and materials than we could have expected. Clearly, we live in a community that cares.

If you have any questions, please contact me at (717) 545-7299.

Sincerely,

A handwritten signature in black ink, appearing to read "Eve Wachhaus". The signature is fluid and cursive, with the first name "Eve" being more prominent and the last name "Wachhaus" written in a continuous, flowing script.

Eve Wachhaus  
Executive Director

Enclosures

**City of Harrisburg**  
**Community Development Block Grant (CDBG) Program**  
**Home Investment Partnerships (HOME) Program**

PROJECT BUDGET FOR Habitat for Humanity of the Greater Harrisburg Area AGENCY

Contract Agreement Period October 1, 2007- September 30, 2008 MODIFICATION

| Project Budget Summary                 | CDBG                           | x                  | HOME  |
|--|--------------------------------|--------------------|---|
| Cost Category                          | A. Project Cost<br>(A)=(B)+(C) | B. Funds Requested | C. Other Resources                                    |
| <b>PERSONNEL</b>                       |                                |                    |   |
| Consultants/Professional Services      |                                |                    |   |
| <b>Sub-Total</b>                       |                                |                    |   |
| <b>OPERATIONS</b>                      |                                |                    |   |
| Travel                                 | \$4,500                        | \$0                | \$4,500   |
| Telephone                              | \$1,000                        |                    | \$1,000   |
| Utilities                              |                                |                    |   |
| Space (Rent or Mortgage Payment)       | \$350                          |                    | \$350   |
| Postage                                | \$200                          |                    | \$200   |
| Consumable Supplies                    | \$1,200                        |                    | \$1,200   |
| Insurance                              | \$1,500                        |                    | \$1,500   |
| Rental, Lease or Purchase Of Equipment |                                |                    |   |
| Printing                               |                                |                    |   |
| Training & Development                 | \$350                          |                    | \$350   |
| <b>Sub-Total</b>                       | <b>\$9,100</b>                 | <b>\$0</b>         | <b>\$9,100</b>  |
| Property Acquisition                   |                                |                    |   |
| Construction Tools/Supplies            | \$20,000                       | \$3,000.00         | \$17,000 in other contributions and in-kind donations |
| Project Sign                           |                                |                    |   |
| Land Improvements                      |                                |                    |   |
| Construction Contracts                 | \$7,000                        | \$0                | \$7,000   |
| Professional Development Services      |                                |                    |   |
| Property Carrying Costs                |                                |                    |   |
| Other                                  |                                |                    |   |
| <b>Sub-Total</b>                       | <b>\$27,000</b>                | <b>\$3,000</b>     | <b>\$24,000</b>                                       |
| <b>ADMINISTRATION</b>                  |                                |                    |   |
| Personnel (Direct cost)                | \$58,822                       | \$17,000           | \$41,822 from other resources                         |
| Indirect Costs                         |                                |                    |   |
| Audit ***                              | \$5,500                        | \$0                | \$5,500   |
| <b>Sub-Total</b>                       | <b>\$64,322</b>                | <b>\$17,000</b>    | <b>\$47,322</b>                                       |
| <b>TOTAL</b>                           | <b>\$100,422</b>               | <b>\$20,000</b>    | <b>\$80,422</b>                                       |

\*\*\* Audits of federal funds are required per OMB Circular A-128, however, agency must fund all audit costs.

\* Definition of Cost Category Items

| PERSONNEL                       |  |          |
|---------------------------------|--|----------|
| Salaried Positions - Job Titles | Provide rate of pay (hourly/salary) and percentage of time spent on project (Full-Time Equivalent) or hours per week |          |
| Construction Manager            | \$ 45,895 at 33% = \$15,145  | \$15,145 |
| Construction Assistant Manager  | \$34,479 at 25% = \$8,620  | \$8,620  |



*Help build it!*

July 9, 2009

Habitat for Humanity of the Greater Harrisburg Area  
Attention: Eve Wachhaus, Executive Director  
900 South Arlington Avenue, Suite 235  
Harrisburg, PA 17109

**RE: Allocation of Firm Commitments of In-Kind Contributions in Support of NSP2 Application**

Dear Eve:

Habitat for Humanity International, Inc. (HFHI) is pleased to confirm your allocation of firm commitments of private source, in-kind contributions from our corporate sponsors in support of your application for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009. This letter, together with the attached letters of firm commitment from the corporate sponsors, should be made a part of your NSP2 funding application, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of your application.

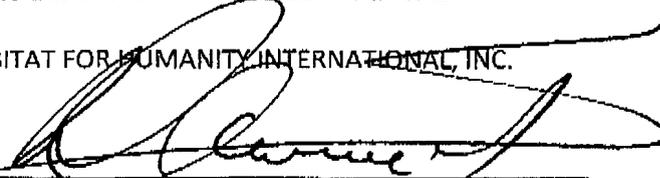
The attached letters provide firm commitments of in-kind contributions totaling \$4,803 per housing unit from the following sponsors:

Hunter Douglas  
Schneider Electric  
The Dow Chemical Company  
Valspar Corporation  
Yale Residential Security Products, Inc.  
Whirlpool Corporation

We hereby confirm HFHI's allocation of these commitments to your NSP2 application for up to 7 housing units, for a total in-kind contribution commitment of up to \$33,621.00.

The undersigned is duly authorized to execute this allocation of firm commitments.

HABITAT FOR HUMANITY INTERNATIONAL, INC.

By: 

Name: Mark Crozet

Title: Senior Vice President - Development

Attachments (6)



*Help build it!*

July 9, 2009

Habitat for Humanity of the Greater Harrisburg Area  
Attention: Eve Wachhaus, Executive Director  
900 South Arlington Avenue, Suite 235  
Harrisburg, PA 17109

**RE: Allocation of Firm Commitments of Softwood Lumber funding in Support of NSP2 Application**

Dear Eve:

Habitat for Humanity International, Inc. (HFHI) is pleased to confirm its firm commitment of reimbursement for softwood lumber usage in support of your application for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009. This letter should be made a part of your NSP2 funding application, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of your application. This firm commitment is made pursuant to your existing participation in HFHI's Softwood Lumber Program.

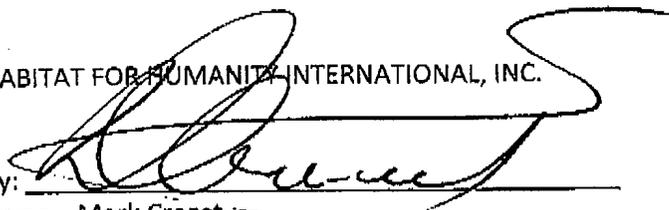
HFHI's funds for the Softwood Lumber Program were received by HFHI in 2006 as the result of a trade dispute between the United States and Canada.

This commitment is valid through July 2011.

We hereby confirm HFHI's commitment to your NSP2 application for up to 7 housing units (valued at \$5,200 per unit), for a total in-kind contribution commitment of up to \$36,400.00.

The undersigned is duly authorized to execute this allocation of firm commitments.

HABITAT FOR HUMANITY INTERNATIONAL, INC.

By: 

Name: Mark Crozet

Title: Senior Vice President - Development

June 17, 2009

Habitat for Humanity International, Inc.  
Attention: Mr. Mark Crozet, Senior Vice President  
270 Peachtree Street NW, Suite 1300  
Atlanta, GA 30303-1263

**RE: Firm Commitment of In-Kind Contributions in Support of NSP2 Applications**

Dear Mark:

Hunter Douglas is pleased to provide this letter of firm commitment to Habitat for Humanity International, Inc. (HFHI) in support of multiple applications by HFHI and certain of its State Support Organizations (SSOs) and affiliates for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009.

We hereby confirm to you our firm commitment to provide private source, in-kind contributions of window coverings for up to 2,000 housing units, at a value of \$300 per housing unit, for a total contribution value of up to \$600,000, in support of the housing rehabilitation and redevelopment activities specified in your various NSP2 funding applications. This firm commitment is made pursuant to our existing sponsorship agreement with you.

We understand that this letter of firm commitment will be made a part of your and your SSOs' and affiliates' NSP2 funding applications, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of those applications. We further understand and agree that HFHI will allocate this firm commitment among HFHI's and its several SSOs' and affiliates' applications as it deems appropriate.

The undersigned is duly authorized to execute this letter of commitment.

HUNTER DOUGLAS

BY:

*Aimee B. Mathews*

TITLE:

*Vice President - Corporate Marketing*



June 25, 2009

Habitat for Humanity International, Inc.  
Attention: Mr. Mark Crozet, Senior Vice President  
270 Peachtree Street NW, Suite 1300  
Atlanta, GA 30303-1263

**RE: Firm Commitment of In-Kind Contributions in Support of NSP2 Applications**

Dear Mark:

Schneider Electric is pleased to provide this letter of firm commitment to Habitat for Humanity International, Inc. (HFHI) in support of multiple applications by HFHI and certain of its State Support Organizations (SSOs) and affiliates for Neighborhood Stabilization Program 2 (NSP2) funding under the American Recovery and Reinvestment Act of 2009.

We hereby confirm to you our firm commitment to provide private source, in-kind contributions of Square D® residential electrical equipment for up to 2,000 housing units over three years, at a value of \$605 per housing unit, for a total contribution value of up to \$1,210,000, in support of the housing rehabilitation and redevelopment activities specified in your various NSP2 funding applications. This firm commitment is made pursuant to our existing sponsorship agreement with you.

We understand that this letter of firm commitment will be made a part of your and your SSOs' and affiliates' NSP2 funding applications, pursuant to the Department of Housing and Urban Development's Notice of Fund Availability, Docket No. FR-5321-N-01, dated May 4, 2009, and specifically in support of the Rating Factor 4a - Leverage section of those applications. We further understand and agree that HFHI will allocate this firm commitment among HFHI's and its several SSOs' and affiliates' applications as it deems appropriate.

The undersigned is duly authorized to execute this letter of commitment.

SCHNEIDER ELECTRIC

BY: *William Rath*

TITLE: *Director, Corp Communications*

## **Appendix 4: Certifications**

### **Neighborhood Stabilization Program 2**

**APPLICANT:**

**City of Harrisburg, Pennsylvania**

The applicant or grantee hereby assures and certifies that:

1. **Affirmatively furthering fair housing.** The applicant certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
2. **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
3. **Anti-lobbying.** The applicant must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
4. **Authority of applicant.** The applicant certifies that it possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
5. **Acquisition and relocation.** The applicant certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP2 program published by HUD.
6. **Section 3.** The applicant certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
7. **Citizen participation.** The applicant certifies that it is carrying out citizen participation in accordance with NSP2 requirements.
8. **Use of funds.** The jurisdiction certifies that it will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

9. **The applicant certifies:**

- a. that all of the NSP2 funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
- b. The applicant will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

10. **Excessive force.** The applicant, if an applicable governmental entity, certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

11. **Compliance with anti-discrimination laws.** The applicant certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

12. **Compliance with lead-based paint procedures.** The applicant certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

13. **Compliance with laws.** The applicant certifies that it will comply with applicable laws.



Signature of Chief Elected Official

7-15-09

Date

Stephen R. Reed, Mayor

Name/Title of Chief Elected Official

City of Harrisburg

Municipality

Dauphin

County

### Appendix 3

#### RUBRIC FOR ADDRESSING VACANT PROPERTIES:

Some target neighborhoods with a foreclosure problem would be stabilized by a reduction in distressed housing stock and selected acquisition and rehabilitation. This is particularly true in communities that have experienced extended economic decline. The goal of this factor is to credit communities with a vacancy problem and a strategy on how to address all of the vacant properties in a target area in order to create stable healthy communities with a reduction in housing stock.

To receive a score, you must plan demolition or acquisition and rehab of a minimum of 25 currently vacant properties in the identified target areas. If you meet this minimum, the score is calculated as follows:

(1.5 times (Sum total of vacant properties proposed to be addressed through acquisition and rehab) + (Sum total of vacant properties to be addressed via demolition)) divided by (Sum total of all vacant residential properties in target area) The basic idea is that the greater proportion of vacant units in a neighborhood you address relative to the number that are vacant the higher your score. But you have to be addressing a minimum number of units to get any score on this at all. The data for the denominator may be from the US Postal Service or from locally collected data.

= (1.5 X (20 vacant properties to be addressed through acquisition rehab) + (40 properties to be demolished))/(1126\* vacant residential properties in census tracts 206, 207, 208, 212, 213, 215, and 16)

$$= \frac{1.5(20+40)}{1126} = \frac{90}{1126} = 0.0799$$

\* Source – US Postal Service 90 day residential vacancy rate.

# CITY OF HARRISBURG



Department of Building and Housing Development  
Bureau of Housing · Bureau of Codes · Bureau of Planning  
*Stephen R. Reed, Mayor*

July 16, 2009

Kathy Possinger  
Deputy Director for Housing  
Department of Building and Housing Development  
City of Harrisburg  
10 N. 2<sup>nd</sup> Street Suite 206  
Harrisburg, PA 17101

RE: 2009 Neighborhood Stabilization Program II Application

Dear Ms. Possinger:

The proposed projects contained within the City of Harrisburg's application for Neighborhood Stabilization Program II funds are in compliance with the City of Harrisburg Comprehensive Plan as well as the Uptown Neighborhood Action Strategy (2001) and the new South Allison Hill/Mt. Pleasant Neighborhood Plan (2009).

The proposed NSP II application will enable the Housing Bureau to increase its efforts to rehabilitate existing houses and create new infill development on properties that previously contained residential uses.

The Planning Bureau fully supports the application for NSP II funds since it will allow the City to enhance its ability to stabilize and revitalize neighborhoods.

Sincerely,

A handwritten signature in black ink that reads 'Candace H. Stowell'. The signature is written in a cursive style with a large, sweeping 'C' at the beginning.

Candace H. Stowell, AICP  
Deputy Director for Planning

# CITY OF HARRISBURG



Department of Building and Housing Development  
Bureau of Housing · Bureau of Codes · Bureau of Planning  
*Stephen R. Reed, Mayor*

July 16, 2009

Kathy Possinger  
Deputy Director for Housing  
Department of Building and Housing Development  
City of Harrisburg  
10 N. 2<sup>nd</sup> Street Suite 206  
Harrisburg, PA 17101

RE: 2009 Neighborhood Stabilization Program II Application

Dear Ms. Possinger:

The proposed projects contained within the City of Harrisburg's application for Neighborhood Stabilization Program II funds are in compliance with the City of Harrisburg Comprehensive Plan as well as the Uptown Neighborhood Action Strategy (2001) and the new South Allison Hill/Mt. Pleasant Neighborhood Plan (2009).

The proposed NSP II application will enable the Housing Bureau to increase its efforts to rehabilitate existing houses and create new infill development on properties that previously contained residential uses.

The Planning Bureau fully supports the application for NSP II funds since it will allow the City to enhance its ability to stabilize and revitalize neighborhoods.

Sincerely,

A handwritten signature in cursive script that reads 'Candace H. Stowell'.

Candace H. Stowell, AICP  
Deputy Director for Planning

# Subrecipient Monitoring Plan

## CITY OF HARRISBURG

### Department of Building and Housing Development



CITY OF HARRISBURG  
MLK, JR., CITY GOVERNMENT CENTER  
10 N. 2<sup>ND</sup> STREET, HARRISBURG, PA 17101  
Phone: (717) 255-6480 FAX: (717) 255-6421



## THE MONITORING VISIT

### Preparation

The DBHD will learn as much about each program to make informed decisions in order to prioritize the areas that require review. The preparation process involves:

- Researching appropriate program regulations and statutes,
- Reviewing monthly reports submitted by the program,
- Analyzing available data submitted by the subrecipient, including data on outcomes and indicators, and
- Reviewing monitoring guidance and/or checklists.

### Monitoring Process

The DBHD staff will conduct at least one site visit during the contract period to ensure that subrecipients are implementing activities in accordance with program requirements. A written monitoring letter will document each site visit. If, as a result of the monitoring visit, deficiencies are found to exist, the subrecipient must respond within forty-five (45) calendar days outlining actions it expects to take to correct the deficiencies. These deficiencies take two forms: **Findings** and **Concerns**. Findings are conditions that are not in compliance with regulatory, or statutory requirements. Concerns are deficiencies in performance that are not based on a regulatory or statutory requirement that should be brought to the attention of the program participant. If not addressed, a Concern can lead to a Finding. The subrecipient has the opportunity to contest the Findings and Concerns and should do so in writing within thirty (30) days of the monitoring visit. DBHD will respond to the subrecipient's letter contesting the Finding and Concerns

Monitoring Process (continued) within thirty (30) days.

### **Scheduling the Visit**

The site visit is to be arranged in advance with the subrecipient by the Project Manager. The subrecipient will be informed in writing of the time, date and the DBHD staff responsible for conducting the monitoring visit. The subrecipients must make themselves available for the on-site monitoring visit at the earliest date that is mutually convenient, but no later than thirty (30) calendar days after the DBHD's notice that a visit is to be scheduled. The notice will also inform the subrecipient to be prepared to verify that procedures designed to eliminate deficiencies noted in previous monitoring letters are being implemented. Once the date and monitoring schedule have been set, the DBHD staff will send a confirmation letter that includes the following information:

- the date and time and place of the monitoring visit,
- the documents and files to be reviewed,
- the DBHD staff that will conduct the visit, and
- a request that the necessary program staff be available during the visit.

The letter will also confirm the need for any services in conducting the monitoring, such as a conference room, or telephones, etc.

### **Entrance Conference**

The DBHD staff will hold an entrance conference with the relevant program staff to communicate the objectives, scope and focus of the monitoring. The DBHD staff person will explain to the program staff how the monitoring will be conducted. At this time, the DBHD staff will identify key

program staff that should participate in the monitoring. The DBHD staff will also confirm the programs and activities to be reviewed. The DBHD staff will also discuss the files that will be reviewed and how to access the files and the work areas to be used. If necessary, the DBHD staff will also use this time to schedule physical inspections, interviews and other logistical issues.

**Areas to be reviewed**

The DBHD staff will review a variety of information with the subrecipient. The areas to be reviewed include: contract compliance, performance evaluation, record keeping and financial management.

**Contract Compliance**

All subrecipients that are allocated CDBG, HOME or ESG funds must enter into a contract with the City of Harrisburg's DBHD. Contracts with the City of Harrisburg's DBHD must comply with the requirements of 24 CFR Part 570.503 (CDBG); 24 CFR Part 576 (ESG); or 24 CFR Part 92.504 (HOME).

Subrecipients' Contracts list a Scope of Services referencing the most recent approved fiscal year funding request. In all cases, the funding request will be attached as a legal part of the contract and referenced as "Exhibit A." The Project Budget will be included in the contract as "Exhibit B." If applicable, the contract will include a description of the computation of the unit costs, referenced as "Exhibit C." All contracts will include the standard Part II Terms and Conditions.

**Performance Evaluation  
Review**

The DBHD staff will review the contract with the subrecipient and assess their performance in accordance with program guidelines and objectives. The DBHD staff will make a determination if the subrecipient is accomplishing the stated

objectives.

The DBHD staff will review the program's progress toward the goals established in the contract through a compilation of the organization's data supporting goals, outcomes and indicators. The definition of an outcome is "the benefits or changes for participants during their participation in a program." Outcomes are the end results that relate to behaviors, skills, knowledge, attitudes, values, conditions, or other attributes. Outcomes must have measurable indicators to determine progress.

The DBHD staff will also:

- Review any complaints that may have been made about the subrecipient by clients, and responses made by the subrecipient. This includes a review of client satisfaction forms.
- Interview key program staff, subcontractors, and program beneficiaries, if necessary.
- Conduct physical inspections, if appropriate.

#### Record keeping

The DBHD staff will review five (5) to ten (10) files for clients assisted with CDBG/HOME/ESG grant funds to determine the following:

- Whether the clients served are income eligible according to the program regulations and what type of income verification system is used.
- The residency of clients served and how the subrecipient verifies this information.

- The services that are being provided to the client and whether or not they are consistent with the services outlined in the funding request and contract.
- Whether records required by the contract and applicable program regulations are being properly maintained.
- The primary service area of the programs undertaken by the subrecipient, if applicable.

Financial Management System

The DBHD staff will review the following components of the organization's financial management system to ensure compliance with federal requirements:

**Use of Funds** - Organizations that utilize CDBG, HOME, and ESG funds must use those funds as originally planned and for only eligible activities. If an organization wishes to expend CDBG, HOME or ESG funds for an eligible activity other than what was proposed, a letter requesting the change must be submitted to the Director of the Department of Building and Housing Development about the proposed changes in the planned expenditures. Requests must be made prior to the expenditure of funds.

**Internal Controls** - This term refers to the combination of policies, procedures, defined responsibilities, and personnel records that allow an organization to maintain adequate oversight and control of its finances. The standards for financial management systems are listed at 24 CFR 84.21.

The staff of the DBHD will track the fiscal procedures for four (4) or five (5) financial transactions. The combination of source documentation and accounting records should provide a complete "audit trail" documenting when a purchase was requested and by whom, how it was formally

approved, what funds were used to pay for it, and when it was paid and for how much.

The DBHD staff will also ask questions about other fiscal procedures such as:

- “Who handles cash donations?”
- “Who logs in the checks?”
- “Who deposits checks?”
- “Who reconciles the bank accounts?”

These questions are aimed at ensuring that one person does not have control of an entire fiscal procedure and to ensure adequate internal control measures.

**Accounting Controls** - Organizations must maintain records that adequately identify the source and application of applicable grant funds. The DBHD staff may ask questions about the computer software used for the fiscal procedures to determine if there are adequate accounting controls.

**Procurement** - Organizations funded with federal grant funds must have a procurement policy for the acquisition of supplies, equipment, construction and services to ensure that they are purchased as economically as possible through an open and competitive process. The procurement regulations can be found at 24 CFR Part 84.

The DBHD staff will ask for a copy of the procurement policy. The DBHD staff may ask to see a financial transaction to ensure that the organization has followed its procurement policy. (For example, reviewing a financial transaction that

required the collection of three bids.)

**Property Asset Controls** - Grant-funded organizations must have a system to track property and other assets purchased with grant funds, and to ensure that these property and assets are secure and are used for the authorized purpose only. Guidelines on property and equipment controls can be found at 24 CFR 85.32(d) and 24 CFR 84.34(f).

**Audits.** Audits are one method for an organization to obtain an independent, informed judgment regarding the organization's financial management system. Subrecipients are required to conduct an agency-wide audit if they receive \$300,000 or more in federal funds in a single year and a program audit if they receive less than \$300,000 in federal funds in a single year. All organizations receiving federal funds are required to submit their audits to the DBHD within 180 days from the end of the organization's fiscal year. The federal standards for audits can be found at OMB Circular A-133. Guidelines for non-federal audits for non-profit organizations can be found at 24 CFR 84.26.

The DBHD will review the subrecipient's most recent audit prior to the monitoring visit. If the audit indicated any Findings or Concerns, the DBHD staff will ask questions concerning the subrecipient's Corrective Action Plan to ensure that the problem has been addressed.

Other Federal  
Requirements

The DBHD will also review other federal requirements as described below:

**Non-discrimination and Equal Opportunity** - All grant-funded organizations must make facilities and services available to all on a non-discriminatory basis and publicize this fact in a variety of formats. This includes persons with

disabilities, or persons of any particular race, color, religion, sex, age, familial status or national origin within their service area who may qualify for services.

The DBHD staff will ask for a copy of the subrecipients Equal Opportunity for Employment policy. If the subrecipient has hired any program staff in the past year, the DBHD staff will ask to see that the position was advertised in the local newspaper. The advertisement must include a statement that the organization is an Equal Opportunity employer.

The DBHD staff will also ask the subrecipient whether the facility in which services are being provided is accessible to persons with disabilities. The DBHD will also ask questions about the availability of the organization's services on a non-discriminatory basis.

**Lead Based Paint** - Lead-based paint requirements are designed to ensure that housing receiving federal assistance does not pose a hazard to young children. All federally-funded organizations are subject to the Lead-Based Paint Poisoning Prevention Act (LBPPPA) and the Act's implementing regulations at 24 CFR Part 35. Grant-funded organizations must comply with Subpart K of the Lead-Based Paint Hazard regulations.

**Relocation and Displacement** - While an eligible expense, the DBHD is hesitant to allocate federal grant funds to any project that will require the displacement or relocation of persons, families, individuals, businesses, nonprofit organizations or farms. The Uniform Relocation Act and the requirements are listed in 49 CFR Part 24, subpart B.

**Conflict of Interest** - Federally-funded organizations must avoid any conflict of interest in carrying out activities funded

with grant funds. The conflict of interest regulations can be found at 24 CFR 576.57(d).

The DBHD staff will ask for a copy of the personnel policy to see if the subrecipient has made the conflict of interest provisions known to its program staff. The DBHD may ask questions concerning the involvement of Board members or employees in any decision concerning grant funds.

**Limits on Funding to Primarily Religious Organizations -**  
In order to comply with the separation of church and State, a number of conditions currently apply to the provisions of federal grant funding to organizations that are primarily religious in nature. The regulations concerning primarily religious organizations can be found at 24 CFR 576.23.

The DBHD staff will review the conditions that apply to religious organizations concerning the use of grant funds to further the organization's religious beliefs. The subrecipient will be asked whether services are provided as a condition of participation in a religious program, or whether services are restricted to members of a particular faith.

**Exit Conference**

The DBHD staff will present the tentative conclusions made and summarize the preliminary results of the visit. The DBHD staff will discuss if the identified problems are isolated incidences or systematic deficiencies. Corrective actions may vary depending upon this determination. This conference also offers an opportunity to correct any misconceptions and misunderstandings and to secure additional information to clarify or support the conclusions. The exit conference also begins the dialogue necessary to resolve any Findings or Concerns.

**Post-Monitoring Visit**

Upon returning to the office, the DBHD staff person



responsible for monitoring the program may conduct interviews with at least five clients (selected at random) served by the program to determine satisfaction or dissatisfaction with services. This procedure is generally only undertaken if the subrecipient is not using client satisfaction forms that provide the needed information.

As a result of the monitoring visit, the DBHD will make a determination that:

- Performance was adequate, exemplary or that there were significant achievements, or
- There were Findings, or Concerns.

Account Code: 1403-1405-462-000  
TCACOR08  
THOMCH08  
IDIS #2088 & 2089

**CITY OF HARRISBURG  
AND  
TRI-COUNTY HDC, LTD  
HOME SUBRECIPIENT CONTRACT**

This CONTRACT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2008 by and between the CITY OF HARRISBURG municipal corporation established pursuant to the Laws of the Commonwealth of Pennsylvania and operating pursuant to the Optional Third Class City Law, 53 P.S. §§41101 et seq., with its principal office located at the Rev. Dr. Martin Luther King, Jr., City Government Center, 10 North Second Street, Harrisburg, Pennsylvania 17101-1677 (hereinafter "CITY")

**A  
N  
D**

TRI-COUNTY HDC (hereinafter "SUBRECIPIENT"), a non-profit organization certified by the CITY on January 16, 1998 as a COMMUNITY HOUSING DEVELOPMENT ORGANIZATION HEREINAFTER CHDO), with its principal office located at 1514 Derry Street, Harrisburg, Pennsylvania 17104.

**W I T N E S S E T H:**

**WHEREAS**, CITY has applied for and received funds from the U.S. Department of Housing and Urban Development (hereinafter, "HUD") under title II of the Cranston-Gonzales National Affordable Housing Act of 1990, known as the investment Partnership Act, 42 U.S.C. §§12721 et seq.; and

**WHEREAS**, said funds, known as the HOME/CHDO 2007-2008 Set-Aside funds for purposes of this CONTRACT, are currently maintained in an account administered by the CITY'S Department of Building and Housing Development (hereinafter, "DBHD"); and

**WHEREAS**, CITY agrees to provide such funding to SUBRECIPIENT in order to finance all phases of a housing rehabilitation project, as regulated under 24 C.F.R §92.300; and

**WHEREAS**, DBHD will provide advice and assistance to SUBRECIPIENT consistent with the terms of this CONTRACT and all documents referenced herein.

**NOW, THEREFORE**, in valuable consideration of the within covenants, CITY and SUBRECIPIENT, intending to be legally bound, agree as follows, warranting to each other that each has the authority to do so:

**PART ONE**

**ARTICLE I. DEFINITIONS**

**A. CHDO**

A Community Housing Development Organization, as defined in 24 C.F.R. Pt. 92, with regard to the activities to be performed hereunder the Tri-County HDC Contract.

**1. APPROVAL BY CITY**

Whenever action under this CONTRACT requires the approval of CITY or is required to be done in a manner "acceptable", "satisfactory", or other similar terms, such term shall be presumed to include a reasonableness standard so that approval, acceptance, and/or satisfaction shall not be unreasonably withheld.

**ARTICLE II. PURPOSE**

- A. This CONTRACT requires SUBRECIPIENT to complete a housing rehabilitation project providing one (1) single-family home on specific properties located along the Capital Corridors; Derry Street, South Thirteenth Street and South Seventeenth Street, Harrisburg Pennsylvania (hereinafter, "PROPERTY"). The PROPERTY shall be made available for sale to and occupancy by eligible low and moderate-income families.
- B. CITY agrees to provide SUBRECIPIENT with HOME/CHDO 2008-2009 Set-Aside funds for the activities described in ARTICLE III below.

**ARTICLE III. SCOPE OF SERVICES**

**A. Activities**

SUBRECIPIENT shall be responsible for administering the project in a manner satisfactory to CITY and consistent with the terms and conditions of the CONTRACT, including the following activities:

1. Activity #1. SUBRECIPIENT shall ensure that a rehabilitation feasibility determination is completed to the CITY's satisfaction for each PROPERTY selected for possible rehabilitation.
2. Activity #2. If the results of the feasibility determination are satisfactory to CITY, SUBRECIPIENT shall establish the post rehabilitation value of the PROPERTY based on recent comparable sales.
3. Activity #3. If the post-rehabilitation value is acceptable to SUBRECIPIENT and CITY, SUBRECIPIENT shall undertake an investigation of quality of the PROPERTIES' titles and shall secure clear title to same. CITY will assist SUBRECIPIENT in this activity from time to time through the actions of the Harrisburg Property Reinvestment Board, as requested by SUBRECIPIENT.
4. Activity #4. SUBRECIPIENT shall acquire the PROPERTIES after the completion of Activities #1 through #3 to CITY satisfaction.
5. ACTIVITY #5. Upon acquisition, SUBRECIPIENT shall provide the CITY with a valid first lien mortgage on the PROPERTIES for all funds advanced under this contract. Said mortgage shall become immediately due and payable if SUBRECIPIENT fails to complete its performance obligations under this

CONTRACT or fails to complete rehabilitation and occupancy of the PROPERTIES as affordable housing, as required by 24 C.F.R. Pt. 92. CITY shall subordinate its mortgage to construction and permanent financing. This lien will be proportionately released as SUBRECIPIENT closes on each Property.

6. Activity #6. SUBRECIPIENT and CITY shall prepare, with the assistance of CITY, rehabilitation work specifications ("specifications") and cost analysis for the PROPERTIES.
7. Activity #7. SUBRECIPIENT's general contractor, where appropriate, shall hire qualified sub-contractors, licensed plumbers and electricians, shall secure all applicable permits and approvals and shall perform all relevant work required by the specifications.
8. Activity #8. SUBRECIPIENT shall perform sales marketing to recruit potential homebuyers and shall provide supportive services including, but not limited to, credit counseling, mortgage counseling, personal budgeting, and related education necessary to enter into homeownership.
9. Activity #9. SUBRECIPIENT shall select buyers, secure approvals, perform closings and provide post-homeownership counseling to all homebuyers. As a condition to the sale of each of the PROPERTIES to private homeowners, SUBRECIPIENT shall ensure that said PROPERTIES continue to qualify as "affordable housing", as defined by 24 CFR §92.254. SUBRECIPIENT shall incorporate affordability provisions which are satisfactory to the CITY in deed restrictions, real covenants, or other similar mechanisms. These provisions shall act to restrict the resale of any of the PROPERTIES in violation of 24 CFR §92.254. In the event that affordability is not maintained for the statutory period, CITY shall directly recapture the HOME subsidy from the homeowner.
10. Activity #10. The SUBRECIPIENT shall provide to CITY documentation for each PROPERTY settlement sufficient to allow CITY to enforce the affordability provisions of 24 CFR §92.254 during the PROPERTY's affordability period. SUBRECIPIENT shall be under no legal duty to enforce the affordability provisions, but shall provide CITY with any and all information in its possession which is evidence of a real or potential violation of the affordability provisions.

**B. Staffing**

SUBRECIPIENT's Executive Director, Project Engineer and consultants, deemed essential to the execution of this project, shall provide direct execution of this project, shall provide direct management oversight of, and administrative support for, all activities outlined in Section A above.

**C. Assignability**

SUBRECIPIENT shall not assign, transfer, mortgage or otherwise encumber any interest in this CONTRACT without the prior written consent of the CITY.

**ARTICLE IV. PROPERTIES FULLY AND PERPETUALLY TAXABLE**

SUBRECIPIENT agrees that the PROPERTIES shall remain fully and perpetually taxable to SUBRECIPIENT, its successors and assigns. Notwithstanding the foregoing, SUBRECIPIENT may utilize CITY's Property Tax Abatement Program.

**ARTICLE V. TIME OF PERFORMANCE**

A. Contract Period

SUBRECIPIENT shall commence services promptly on the date of this CONTRACT. Anything in this CONTRACT to the contrary notwithstanding, this CONTRACT shall expire one (1) year from the date of its signing.

B. Compliance

SUBRECIPIENT shall perform its activities within the term of this CONTRACT unless CITY and SUBRECIPIENT extend the time of performance by mutual written agreement, consistent with ARTICLE XII, Section E herein.

**ARTICLE VI. ADMINISTRATIVE REQUIREMENTS**

A. Financial Management

1. Accounting Standards.

SUBRECIPIENT agrees to comply with OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" (Exhibit A) and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls and maintain necessary source documentation for all costs incurred.

Reimbursements for the payment of eligible expenses as specified in ARTICLE XI, Section B, herein may be contingent upon certification of SUBRECIPIENT's financial management system in accordance with the standards specified in OMB Circular A-110.

2. Cost Principles.

SUBRECIPIENT shall administer the program in conformance with OMB Circular A-122, "Cost Principles for Non-Profit Organizations," (Exhibit B) for all costs incurred whether charged on a direct or indirect basis.

3. Budget.

The Budget shall be outlined in PART TWO herein. CITY and SUBRECIPIENT may agree to revise the budget from time to time in accordance with CONTRACT amendment procedures.

4. Program Income

SUBRECIPIENT shall report on a monthly basis all program income generated by activities carried out with HOME funds made available under this CONTRACT. The use of program income by SUBRECIPIENT shall comply with the requirements set forth at 24 CFR Part 85. SUBRECIPIENT may use income during the CONTRACT for activities permitted under this CONTRACT and, at such time program income exceeds ten thousand dollars (\$10,000.00) per unit, shall reduce requests for additional funds by the amount of any such program balances on hand.

5. Indirect Costs.

If indirect costs are charged, SUBRECIPIENT will develop an indirect cost allocation plan for determining the appropriate HOME share of administrative costs and shall submit said plan to CITY for approval. No reimbursement shall be made for any indirect costs which are not in conformity with the plan.

B. Documentation and Record Keeping

1. Records to be maintained.

SUBRECIPIENT shall maintain all records required by the regulations at 24 CFR §92.508, which are pertinent to the activities to be funded under this CONTRACT. Such records shall include, but are not limited to:

- a. client records indicating age, race, sex, ethnicity, income, and results of participation;
- b. income targeting and affordable housing documentation as required by 24 CFR §92.216 and §92.252;
- c. those documenting compliance with property standards as required by 24 CFR §92.251;
- d. fiscal records, including documentation indicating source, interest, audits and resolution of findings, and other financial and related records as required by the HOME regulations, by DCA and by OMB Circular A-110 (Exhibit A);
- e. those documenting compliance with fair housing, equal employment opportunity, affirmative marketing, and procedures required under 24 CFR §92.351 and displacement and relocation and real property acquisition, as required by 24 CFR §92.353;
- f. those documenting compliance with CITY's Affirmative Action goals;
- g. all others necessary to document compliance with this CONTRACT.

2. Retention

SUBRECIPIENT shall retain all records pertinent to expenditures incurred under this CONTRACT for a period of not less than four (4) years after the termination of all activities funded under this CONTRACT or after the resolution of all federal audit findings, whichever occurs later.

Records for non-expendable property acquired with funds under this CONTRACT shall be retained for not less than four (4) years after final disposition of such property.

Records for any person displaced by project activities must be kept for not less than four (4) years after he or she has received final payment of relocation benefits.

3. Client Data.

SUBRECIPIENT shall maintain and provide data required by the City of Harrisburg's Direct Benefit Survey Form (Exhibit C), which demonstrates its clients' eligibility for services provided under other Federal or State funding sources used in combination with CITY funds. Such data shall include, but are not limited to: client name, address and income level, other basis for determining eligibility, and a description of service provided. Such information shall be made available to CITY upon request.

4. Disclosure

SUBRECIPIENT agrees that client data collected under this CONTRACT is confidential and that the use and/or disclosure of such information, when not directly connected with the administration by the CITY or SUBRECIPIENT responsibilities with respect to services provided under this CONTRACT, is prohibited unless written consent is obtained from such client or, in the case of a minor, shall be a responsible parent or guardian of said minor.

5. Close-Outs.

SUBRECIPIENT obligation to CITY shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to:

- a. making final payments;
- b. disposing of program assets, such as the return of all unused materials, equipment, unspent cash advances, program income balances and accounts receivable to CITY;
- c. performing an audit for each fiscal year in which SUBRECIPIENT received funds;
- d. determining the custodianship of records;
- e. submitting cost certificates;
- f. submitting a final progress report.

6. Audits and Monitoring.

- a. SUBRECIPIENT records with respect to any matters covered by this CONTRACT shall be made available to CITY and DBHD or their designees or the Federal Government at any time during normal business hours so often as CITY deems necessary to audit, examine and make excerpts or transcripts of all relevant data. Any deficiencies noted in the audit reports must be satisfied by SUBRECIPIENT within three (3) months after receipt of notice thereof by SUBRECIPIENT.

Failure of SUBRECIPIENT to comply with the above audit requirements shall constitute a violation of this CONTRACT and may result in withholding of future payments.

SUBRECIPIENT hereby agrees to have an annual agency audit conducted in accordance with current CITY policy concerning SUBRECIPIENT audits.

- b. For the period in which the CITY funds provided under this CONTRACT are expended, SUBRECIPIENT shall submit to the CITY a copy of an organization-wide audit made in accordance with Government Auditing Standards (the "Yellow Book") and OMB Circular A-133, "Audits of Institutions of Higher Education and other Non-Profit Institutions" (Exhibit D). The audit shall be performed by an independent Certified Public Accountant. Findings in the audit are reported to SUBRECIPIENT'S Board and the Board plays an active role in resolving such Findings. Further, if the Finding is relevant to the HOME funds, the city shall receive such notices and responses to the Findings in accordance to a specific timeframe to ensure that the audit Findings is resolved.
- c. If SUBRECIPIENT receives more than \$500,000 of Federal Funds from all sources, during the Fiscal Year, it is required to comply with the Single Audit Act. When the SUBRECIPIENT is not subject to the Single Audit, an agency-wide audit shall be prepared for the period in which program funds were expended. Such audit shall conform to the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and be submitted to the City upon completion. A Schedule of Federal Assistance shall accompany the agency-wide audit. SUBRECIPIENT agrees that the Board of Directors shall be notified of any Findings found in such audits and that the Board of Directors will be responsible for responding to and authorizing the response to such Findings. The City shall be copied on all communication regarding Audit Findings. Within 120 days of the audit, the agency shall have responded to the Finding and all such findings shall be resolved to the satisfaction of the City with one year of the date of issuance of the audit.

C. Progress Reports

SUBRECIPIENT shall submit regular monthly Progress Reports to CITY in the form, content, and frequency as required by DBHD (Exhibit E). CITY may withhold payment on invoices if Progress Reports are not submitted in a timely basis.

D. Performance Monitoring

- 1. CITY will monitor the performance of SUBRECIPIENT against the goals and performance standards established in ARTICLE III, Section A, herein to ensure that said goals and standards are achieved. Substandard performance, as reasonably determined by CITY, will constitute non-compliance with this CONTRACT. If action to correct such substandard performance is not taken by SUBRECIPIENT within a reasonable period of time, not to exceed thirty (30) days after notice of substandard performance with duty to correct, CITY may suspend or terminate this CONTRACT, consistent with ARTICLE XII, Section (H)(1), herein.
- 2. CITY will review progress and activities completed before processing invoices to ensure compliance with the provisions of this CONTRACT. Disbursements shall be withheld if work is not satisfactorily completed and until compliance is obtained.

E. Significant Developments

Events may occur between the scheduled performance reporting dates which have significant impact upon the contracted activity. In such cases, SUBRECIPIENT shall inform the CITY immediately upon the discovery of the following types of conditions:

1. Problems, delays or adverse conditions which will immediately impair the ability to meet the objective of the CONTRACT. This disclosure must include a statement of the action taken, or contemplated to be taken, and any assistance needed to resolve the situation.
2. Favorable developments which would enable SUBRECIPIENT to meet time schedules and objectives sooner or at less cost than anticipated or to produce a greater quality or quantity than as originally planned.

F. Procurement

1. Compliance

SUBRECIPIENT shall comply with current CITY policy concerning the purchase of equipment and shall maintain an inventory of all non-expendable personal property, as defined by CITY policy, as may be procured with funds provided herein. All program assets except real estate (i.e., unexpended program income, personal property, equipment, etc.) shall revert to CITY upon termination of this CONTRACT.

2. OMB Standards

SUBRECIPIENT shall procure materials and services in accordance with the requirements of Attachment O of OMB Circular A-110, "Procurement Standards", and shall subsequently follow Attachment N of OMB Circular A-110, "Property Management Standards", which governs the utilization and disposal of property.

G. Travel

SUBRECIPIENT shall obtain prior approval from CITY for any travel beyond thirty (30) miles from CITY limits utilizing funds provided under this CONTRACT.

H. Conduct

1. The Hatch Political Activities Act.

SUBRECIPIENT agrees that no funds provided or personnel employed under this CONTRACT shall be in any way or to any extent engaged in conducting political activities in violation of 5 USC §§1501 et seq.

2. Conflict of Interest

SUBRECIPIENT agrees to abide by the provisions of 24 CFR §92.356 with respect to conflicts of interest. No member, officer or employee of the SUBRECIPIENT or its designees or agent, no member of the governing body of the CITY and no other public official of the CITY who exercises any functions or responsibilities with respect to the HOME Program during his or her tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with this CONTRACT. SUBRECIPIENT shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.

**ARTICLE VII. NON-SUPPLANTATION OF PUBLIC FUNDING**

SUBRECIPIENT agrees to utilize funds available under this CONTRACT to supplement, rather than to supplant, other government funding dedicated to the program purposes and readily available to the SUBRECIPIENT.

**ARTICLE VIII. EMPLOYMENT PRACTICES**

A. Civil Rights

1. Compliance

a. SUBRECIPIENT agrees to comply with Title IV of the Codified Ordinances of the City of Harrisburg, as amended, entitled "Human Relations and Discrimination."

b. SUBRECIPIENT also agree to comply with the following Federal laws:

A. Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§2000d et seq., as amended;

B. Title VIII of the Civil Rights Act of 1968, 42 U.S.C. §§3601 et seq., as amended;

C. Section 109 of Title I of the Housing and Community Development Act of 1974, 42 U.S.C. §5309, as amended;

D. Section 503 of the Rehabilitation Act of 1973, 29 U.S.C. §794, as amended;

E. The Americans with Disabilities Act of 1990, 42 U.S.C. §§12101 et seq., as amended;

F. The Age Discrimination Act of 1975, 42 U.S.C. §§6101 et seq., as amended;

G. Presidential Executive Order 11063 of November 20, 1962 as amended by Presidential Executive Order 12259 of December 31, 1980; and

H. Presidential Executive Order 11246 of September 24, 1965 as amended by Presidential Executive Orders 11375 of October 13, 1967 and 12086 of October 5, 1978, and as supplemented by Department of Labor regulations at 41 C.F.R. Pt. 60.

2. Nondiscrimination

a. **SUBRECIPIENT** shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, national origin, place of birth, sex, disability or other handicap, age, marital status, status with regard to public assistance, familial status, sexual preference/orientation, or general education certificate (GED).

b. **SUBRECIPIENT** shall take affirmative action to ensure that all employment practices are free from such discrimination. Employment practices include,

but are not limited to, the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rate of pay or other form of compensation, and selection for training, including apprenticeship. **SUBRECIPIENT** agrees to post in conspicuous places available to employees and applicants for employment notices to be provided by **CITY** setting forth the provisions of this nondiscrimination clause.

3. "Section 504" Clause.

**SUBRECIPIENT** agrees to comply with any Federal regulations issued pursuant to Section 504 of the Rehabilitation Act of 1973, U.S.C. §794, as amended, which prohibits discrimination against the handicapped in any federally assisted program. **CITY** shall provide **SUBRECIPIENT** with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B Affirmative Action

1. Approved Plan.

**SUBRECIPIENT** agrees that it shall be committed to carry out, pursuant to **CITY** specifications, an Affirmative Action Program in keeping with the principles promulgated in Presidential Executive Order 11246 of September 24, 1965 as amended by Presidential Executive Orders 11375 of October 13, 1967 and 12086 of October 5, 1978 and as supplemented by Department of Labor regulations at 41 C.F.R. Pt. 60. **CITY** shall provide its Affirmative Action Plan to **SUBRECIPIENT** to assist in the formulation of such program (Exhibit "F").

2. MBE/WBE.

**SUBRECIPIENT** shall, pursuant to **CITY's** Affirmative Action Plan (Exhibit F), use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and women-owned business enterprise" shall mean a business at least fifty-one (51%) percent owned and controlled by minority group members or women. As used in this Agreement, "minority group members" shall mean African-Americans, Spanish-heritage Americans, Asian-Americans, and American Indians.

**SUBRECIPIENT** may rely on written representations regarding status as minority and female business enterprises in lieu of an independent investigation.

3. Affirmative Marketing

**SUBRECIPIENT** shall follow the Affirmative Marketing Requirement outlined by **CITY** (Exhibit H).

4. Access to Records.

**SUBRECIPIENT** shall furnish and cause each of its subcontractors to furnish all information and reports required hereunder and will permit **CITY** access to its books, records and accounts for purpose of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

5. Notifications.

**SUBRECIPIENT** shall send to each labor union or representative of workers with which it has a collective bargaining or other contract or understanding a notice, to be provided by **CITY**, advising the labor union of workers' representative of **SUBRECIPIENT's** commitments hereunder and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

6. EEO/AA Statement.

**SUBRECIPIENT** shall, in all solicitations or advertisements for employees placed by or on behalf of **SUBRECIPIENT**, state that it is an Equal Opportunity or Affirmative Action Employer.

7. Subcontract Provisions.

**SUBRECIPIENT** shall include the provisions of ARTICLE VIII, Sections A and B, herein in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each subcontractor or vendor.

C. Employment Provisions

1. Prohibited Activity.

**SUBRECIPIENT** is prohibited from using funds provided herein or personnel employed in the administration of the program for political, sectarian or religious, lobbying, political patronage, and nepotism activities.

2. Working Conditions.

Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, 29 U.S.C. §§651 et seq., as amended, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participants' health or safety. **SUBRECIPIENT** shall bear sole responsibility for compliance with the Occupational Safety and Health Act of 1970 and shall indemnify and hold **CITY** harmless for worksite conditions.

3. Labor Standards.

**SUBRECIPIENT** agrees to comply with the requirements of the Secretary of Labor in accordance with the following:

- a. The Davis-Bacon Act, 40 U.S.C. §§276a-a7, as amended, as supplemented by Department of Labor regulations at 29 CFR Part 5;
- b. The Contract Work Hours and Safety Standards Act, 40 USC §§327-333, as amended as supplemented by Department of Labor regulations at 29 CFR Part 5; and
- c. The Federal Kickback Act, 18 USC §§874, as amended, as supplemented by Department of Labor regulations at 29 CFR Part 3, as well as all other Federal, State and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this CONTRACT.

SUBRECIPIENT shall maintain documentation which demonstrates compliance with hour and wage requirements of this section. Such documentation shall be made readily available to CITY upon request.

SUBRECIPIENT agrees that, except with respect to the rehabilitation or construction of property designed for residential use by less than twelve (12) households, all contractors engaged under contracts in excess of two thousand dollars (\$2,000) for construction, renovation or repair of any building or work financed in whole or in part with assistance provided under this CONTRACT shall comply with Federal requirements adopted by the CITY pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, 29 CFR Parts 1, 3, 5, and 7, governing the payment of wages and the ratio of apprentices and trainees to journeymen; provided that if wage rates higher than those required under the regulations are imposed by State or local law, nothing hereunder is intended to relieve SUBRECIPIENT of its obligations, if any, to make or require payment of the higher wage. SUBRECIPIENT shall insert this paragraph or require this paragraph to be inserted in full, in all contracts in excess of ten thousand dollars (\$10,000) which are or may be subject to such regulations, provisions meeting the requirements of this paragraph.

4. Section 3 Clause.

a. Compliance

Compliance with the provisions of Section 3 of the Housing and Urban Development Act of 1968, 12 USC §1701u, as amended (hereinafter "Section 3"), the regulations set forth in 24 CFR Part 135, and all applicable rules and orders issued thereunder prior to the execution of this CONTRACT shall be a condition of the federal financial assistance provided under this CONTRACT and binding upon SUBRECIPIENT and any subcontractors. Failure to fulfill these requirements shall subject CITY, SUBRECIPIENT and any subcontractors, their successors and assigns, to those sanctions specified by the agreement through which Federal assistance is provided. SUBRECIPIENT certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

SUBRECIPIENT further agrees to comply with these Section 3 requirements and to include the following language in all subcontracts executed under this CONTRACT:

"The work to be performed under this contract is a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 USC §1701u, as amended.

Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by, persons residing in areas of the project."

SUBRECIPIENT certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

b. Notifications.

SUBRECIPIENT agrees to provide to each labor organization or representative of workers with which they have a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organizations of workers' representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontractors.

SUBRECIPIENT shall include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of its terms, pursuant to 24 CFR Part 135. SUBRECIPIENT shall not subcontract with any subcontractor where it has notice or knowledge that the subcontractor has been found in violation of regulations under 24 CFR Part 135 and shall not let any subcontract unless the subcontractor has first provided SUBRECIPIENT with a preliminary statement of ability to comply with the requirements of these regulations.

## ARTICLE IX. SUBCONTRACTING

### A. Approvals

1. Whenever this CONTRACT requires CITY approval of contractors or vendors, the following procedure controls:
  - a. SUBRECIPIENT shall submit to CITY a list containing the name(s) of persons(s), company(ies) and/or firm(s), with whom it wishes to contract; and
  - b. If CITY disapproves of one (1) or more of the said person(s), company(ies) and/or firm(s), CITY shall so notify SUBRECIPIENT in writing within five (5) business days of SUBRECIPIENT submission of the names for professional services or ten (10) business days of SUBRECIPIENT submission of the names for construction services and other vendors; and
  - c. If SUBRECIPIENT does not receive a written disapproval by the end of the time specified herein, the person(s), company(ies), and/or firm(s) shall be deemed approved.
2. SUBRECIPIENT shall engage only those businesses and organizations that are in good standing with the CITY, i.e. current on all taxes, utilities, liens, debts, or contracts.

### B. Monitoring

SUBRECIPIENT will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance. These reports shall be made available to the CITY upon request.

C. Content

SUBRECIPIENT shall cause the following provisions of this CONTRACT to be included in and made a part of any and all subcontracts executed in the performance of this CONTRACT:

- Article XII, Section I
- Article VI, Section B, Paragraph 6(a)
- Article VIII, Sections A and B

D. Selection Process

SUBRECIPIENT shall ensure that all subcontracts let in the performance of this CONTRACT shall be awarded as required by OMB A-110 (Exhibit A). SUBRECIPIENT shall submit executed copies of all subcontracts to CITY; this submission shall include documentation describing the selection process.

E. Use of Debarred, Suspended or Ineligible Contractors

Assistance under this CONTRACT shall not be used, directly or indirectly, to employ, award contracts to, otherwise engage the services of, or fund any contractor or subcontractor during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 24.

**ARTICLE X. ENVIRONMENTAL CONDITIONS**

A. Air and Water

SUBRECIPIENT agrees to comply with the following regulations insofar as they apply to the performance of this CONTRACT:

1. Section 306 of the Clean Air Act, 42 USC 1857(h), as amended;
2. The Clean Water Act, 33 USC §§1251, et seq., as amended, specifically 33 USC §§1318 and 1368, and all regulations and guidelines issued thereunder;
3. National Environmental Policy Act, Act of 1969, 42 USC §§4321, et seq., as amended, supplemented by regulations at 40 CFR Part 58;
4. Environmental Protection Agency (EPA) regulations at 40 CFR Parts 15 and 50;
5. HUD Environmental Review Procedures at 24 CFR Part 58; and
6. Presidential Executive Order 11738 of September 10, 1973.

B. Flood Disaster Protection

Subrecipient agrees to comply with the requirements of the Flood Disaster Protection Act of 1973, 42 USC §§4001 et seq., as amended, as it may apply to the provisions of this CONTRACT regarding the sale, lease or other transfer of land acquired, cleared or improved under the terms of this CONTRACT.

C. Lead-Based Paint

In accordance with the Lead-Based Paint Poisoning Prevention Act, 42 USC §§4822 et seq., as amended, SUBRECIPIENT agrees that any construction or rehabilitation of residential structures with assistance provided under this CONTRACT shall be subject to HUD Lead-Based Paint Regulations appearing in 24 CFR Part 35 and 24 CFR §507.608.

Such regulations pertain to all HUD-assisted housing properties and require that all owners, prospective owners, and tenants of HUD assisted housing properties constructed prior to 1978 be properly notified that such properties may include lead-based paint and explain the symptoms and treatment associated with lead-based paint poisoning and precautions that should be taken when dealing with lead-based paint.

D. Historic Preservation

SUBRECIPIENT agrees to comply with the requirements set forth in the National Historic Preservation Act of 1966, 16 USC §470, as amended, and the Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, set forth in 36 CFR Part 800, insofar as they apply to the performance of this CONTRACT.

Compliance requires concurrence from the State Historic Preservation Officer and the Federal Advisory Council for all rehabilitation and demolition of historic properties that are not less than fifty (50) years old or are included on a Federal, State, or local historic district or registry.

**ARTICLE XI. PAYMENT**

A Total Contract Amount

It is expressly agreed and understood that the total amount to be paid by CITY under this CONTRACT shall not exceed One Hundred Thousand Dollars (\$100,000.00) as more specifically contained in PART TWO herein.

B. Reimbursements

Reimbursement for the payment of eligible expenses shall be made against the line item budget specified in Part Two herein and in accordance with the corresponding performance. All funds not spent at the end of the CONTRACT term shall revert to the CITY. Deviations from the approved budget may be made only with the written approval of the CITY.

1. Request for Reimbursement.

- a. SUBRECIPIENT shall be reimbursed for each specifically permitted project cost and authorized budgetary line item when SUBRECIPIENT provides the direct services specified in ARTICLE III, Section A herein. Permitted costs incurred prior to the execution of this CONTRACT shall be reimbursed hereunder.
- b. SUBRECIPIENT shall submit to CITY on a monthly basis, unless otherwise agreed, itemized invoices for reimbursement of expenditures incurred by SUBRECIPIENT directly related to services provided by it under this CONTRACT. Invoices shall indicate the total project related expenditures

by Budget line item and the total dollar amount requested for each cost center, in accordance with the approved PART TWO herein.

- c. SUBRECIPIENT must maintain appropriate and necessary documentation detailing the types of services provided, including, but not limited to: bills, receipts, statements or invoices supporting the monthly invoices submitted for reimbursement for services provided by it under this CONTRACT. Such documentation shall be available for review by CITY at all reasonable times upon request.
- d. If CITY finds services or expenses to be unacceptable, reimbursement shall be withheld and reasons for each withholding presented in writing to SUBRECIPIENT. Satisfactory resolution of CITY objections shall result in the processing of the request for reimbursement. The CITY agrees to make its best efforts to pay and or reimburse SUBRECIPIENT within thirty (30) days if all invoices are in order and work has been completed satisfactorily.

2. Limitation of Reimbursement.

SUBRECIPIENT monthly invoices for reimbursement shall be limited as follows:

- a. The CITY shall not provide any cash advances to SUBRECIPIENT for anticipated costs. SUBRECIPIENT shall submit appropriate necessary documentation as referenced in Section B(1) of this article;
- b. All grant funds shall be released to SUBRECIPIENT by CITY only as a reimbursement for actual costs incurred for providing the level of project services as herein provided during the previous month;
- c. SUBRECIPIENT must be able to certify its compliance with the above CONTRACT provisions at all times, as set forth in Section (B) (1) (c) above; and
- d. CITY shall retain the right, after consultation with SUBRECIPIENT, to determine the final eligibility and allowability of the units of service provided and claimed for reimbursement by the SUBRECIPIENT under the terms of this contract.

C. Procedures

CITY will pay to SUBRECIPIENT funds available under this CONTRACT based upon information submitted by SUBRECIPIENT and consistent with CONTRACT provisions concerning payments and Part Two herein. Reimbursement payments will be made for eligible expenses actually incurred by SUBRECIPIENT. In addition, CITY reserves the right to liquidate funds available under this CONTRACT for costs incurred by SUBRECIPIENT where SUBRECIPIENT has unreasonably refused to pay such costs.

D. Non-Compliance

In the event there is probable cause to believe SUBRECIPIENT is in noncompliance with any applicable rules or regulations, CITY may withhold all CONTRACT funds until such time as SUBRECIPIENT is found to be in compliance by the CITY or are otherwise adjudicated to be in compliance.

**ARTICLE XII. GENERAL CONDITIONS**

**A. General Compliance**

SUBRECIPIENT agrees to comply with all applicable Federal, State and local laws and regulations governing the funds provided under this CONTRACT.

**B. Governing Law**

The rights and obligations of the parties of this CONTRACT shall be governed by, enforced under and interpreted in accordance with the substantive law of the Commonwealth of Pennsylvania, and all obligations of the parties created herein shall be performed in Dauphin County, Pennsylvania.

**C. Independent Contractor**

Nothing contained in this CONTRACT is intended to, or shall be construed in any matter to, create or establish the relationship of employer/employee between the parties. SUBRECIPIENT shall at all times remain an independent contractor with respect to the services to be performed under this CONTRACT.

**D. Grantor Recognition**

SUBRECIPIENT shall ensure recognition of the role of the CITY, DBHD, and HUD in providing services through this CONTRACT. SUBRECIPIENT shall cause all activities, facilities, work sites and items utilized pursuant to this CONTRACT to prominently identify the funding source. In addition, SUBRECIPIENT shall include a reference to the support provided herein in all publications funded under this CONTRACT.

**E. Amendments**

1. Any party may amend this CONTRACT at any time provided that such amendments make specific reference to this CONTRACT, are executed in writing and are signed by a duly authorized representative of all parties. Such amendments shall not invalidate this CONTRACT nor relieve or release any party from the obligations under this CONTRACT.
2. CITY may, in its discretion, amend this CONTRACT to conform with Federal, State and local governmental guidelines, policies and available funding amounts or for other reasons effective after the date hereof. If such amendments result in a change in the funding level, the scope of services, or schedule of the activities, such modifications will be reflected by written amendment signed by both parties.

**F. Excused Performance**

No party shall be liable for, and each is excused from, failure to deliver or perform or for delay in delivery or performance due to causes beyond its reasonable control, including but not limited to: acts of nature, government actions, fire, civil disturbances, interruptions of power or communications, or natural disasters.

**G. Waiver**

No waiver by any part of any default hereunder by any of the other parties shall operate as a waiver of any other default or of the same default on a future occasion. No delay, course of dealing or omission on the part of any party hereto in exercising any right or remedy

shall operate as a waiver thereof, and no single or partial exercise by any party of any right or remedy shall preclude any other or future exercise thereof or the exercise of other right or remedy.

#### H. Termination or Suspension

##### 1. Termination for Cause.

If, through any cause, SUBRECIPIENT materially fails to fulfill in a timely and proper manner its obligations under this CONTRACT, or in the event of violation of any covenants contained herein, CITY shall thereupon have the right to terminate this CONTRACT by giving written notice to SUBRECIPIENT specifying the effective date of termination. In such event, all project records, unused grant monies, and such amounts as may have been expended contrary to the terms of this CONTRACT shall be turned over to the CITY not later than forty-five (45) days after termination. CITY may declare SUBRECIPIENT ineligible for any further participation in CITY's HOME program in addition to other remedies as provided by law.

##### 2. Termination for Convenience

a. This CONTRACT may be terminated by CITY with the consent of SUBRECIPIENT, in which case the parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated; or

b. This CONTRACT may be terminated by SUBRECIPIENT with the consent of CITY upon written notification to the CITY, setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated.

c. Written notice of such termination specifying the effective date thereof shall be made not less than thirty (30) days before the effective date of such termination.

##### 3. Partial Termination.

Partial termination of the Scope of Services under ARTICLE III, Section A, herein may only be undertaken with the prior written approval of CITY. In the case of a partial termination, if CITY determines that the remaining portion of the grant will not accomplish the purposes for which the grant was made, CITY may terminate the grant in its entirety under either 24 CFR Part §85.43 or Section (H) (2) (a) above.

##### 4. Property Disposition.

In the event of any termination for whatever reason, all finished or unfinished documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by SUBRECIPIENT under this CONTRACT shall, at the option of the CITY, become the property of the CITY, and SUBRECIPIENT shall be entitled to receive compensation as provided for in this CONTRACT for any satisfactory work completed on such documents, materials, services, or construction prior to the termination.

I. Insurance

SUBRECIPIENT and its subcontractors shall provide insurance of the prescribed types and minimum amounts herein set forth. The insurance companies indicated in the certificates must be authorized to do business in the Commonwealth of Pennsylvania and must be acceptable to the CITY. All insurance policies required should be maintained in full force and effect until all work under this CONTRACT is completed, as evidenced by the formal acceptance thereof in writing by CITY. Each policy shall contain the provisions that thirty (30) days prior written notice must be given to the CITY in the event of cancellation of or a material change in the policy. Neither approval by CITY nor a failure to disapprove the evidence of insurance provided shall release SUBRECIPIENT or its subcontractors from its obligation to indemnify CITY in accordance with the terms of this CONTRACT.

1. City as Additional Insured.

All policies of insurance required hereunder shall include the CITY as an additional insured.

2. Minimum Insurance Requirements

SUBRECIPIENT and all subcontractors shall provide the following insurance types, unless CITY otherwise agrees in writing:

a. Workers' Compensation Insurance as required by the Workers' Compensation Act, 77 P.S. §§1, et seq., as amended, and/or any other applicable Workers' Compensation Law and any reenactments, supplements, or amendments thereto;

b. Liability Insurance for bodily injury, including wrongful death, to any one person and subject to the same limit for each person, and for property damage that provides in the opinion of the CITY, the minimum coverage. SUBRECIPIENT's General Liability Insurance must cover liability arising from the SUBRECIPIENT's use of CITY real or personal property under this CONTRACT in an amount no less than one million dollars (\$1,000,000.00) single limit for injury or damage to all persons arising from the same cause; and

c. Automobile Liability Insurance to cover each truck, automobile, vehicle, or other mechanical equipment, whether owned or leased by SUBRECIPIENT or the contractors or the subcontractors and used in performance of work under this CONTRACT, for bodily injury, including wrongful death, to any one person and subject to the same limit for each person, and for property damage that provides the minimum coverage as required by Pennsylvania law.

3. Bonding

SUBRECIPIENT's contractors shall supply both of the following bonds to achieve compliance under this CONTRACT:

a. A performance bond for one hundred percent (100%) of the rehabilitation price. A "performance bond" is one executed in connection with a contract to assure completion, as required by law, of all work agreed to; and

b. A payment bond for one hundred percent (100%) of the rehabilitation price. A "payment bond" is one executed in connection with a contract to assure

payment as required by law of all persons supplying labor and material in the execution of the work provided in the CONTRACT.

J. Indemnity

1. SUBRECIPIENT, its subcontractors and their sureties shall indemnify and hold harmless the CITY, its elected officials, officers, agents and employees, from and against all claims, suits or actions at law or equity of any kind whatsoever, damages, losses and expenses, including attorney's fees, arising out of or resulting from Section 3 violations and/or the performance of the work under this CONTRACT, including, without limitation, damage to property and injury to and death of any persons, including employees of the SUBRECIPIENT or its contractors or subcontractors, and shall, if required by CITY produce evidence of settlement of any such claim, suit or action before final payment shall be made by CITY.
2. The provisions of this coverage shall include all accidents, injuries and claims arising out of or resulting from the performance of the work under this CONTRACT, whether or not caused in whole or in part by any act, omissions or negligence of the SUBRECIPIENT and its subcontractors, agents and employees.
3. SUBRECIPIENT, its contractors and subcontractors shall, at their own cost and expense, defend any such claims, proceedings, actions or suits, groundless or not, which may be commenced against CITY by reason of SUBRECIPIENT's performance of the work under the CONTRACT or in connection therewith and SUBRECIPIENT's contractors and subcontractors shall pay any and all judgements which may be rendered in any such action, claim, proceeding or suit.
4. The foregoing notwithstanding, SUBRECIPIENT shall not indemnify CITY for any loss or expense caused by acts, omissions, or the negligence of CITY's agents or employees, or for any loss or expense for which CITY has received insurance proceeds, to the extent of such proceeds.

K. Copyright

If this CONTRACT results in any copyrightable material, the CITY reserves the right to a royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use the work for government purposes.

L. Religious Organization

SUBRECIPIENT agrees that funds provided under this CONTRACT will not be utilized for religious activities, to promote religious interest, or for the benefit of a religious organization.

M. Drug Free Work Place

SUBRECIPIENT has executed the certification (Exhibit I) requiring that SUBRECIPIENT will administer in good faith a policy designated to ensure that all of its facilities are free from the illegal use, possession, or distribution of drugs and alcohol by its staff and contractors and subcontractors or staff thereof.

N. Entire Agreement

This writing contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior and/or contemporaneous oral or written discussions, representations, and understandings, promises or agreements that are not expressly included herein.

O. Time is of the Essence

At all times herein described, the parties agree that time is of the essence and that no waiver of the time frame as set forth in ARTICLE V shall be given effect unless an extension is agreed to consistent with Section E above.

P. Paragraph Headings

The paragraph and other headings in this CONTRACT are provided for convenience of reference only and shall not be included in any interpretation or construction of the substantive provisions hereof.

Q. Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The **SUBRECIPIENT** shall transfer to the **CITY** any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the **SUBRECIPIENT'S** control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 **until five (5) years** after expiration of this agreement. If the **SUBRECIPIENT** fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the **SUBRECIPIENT** shall pay the **CITY** an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the **CITY**. The **SUBRECIPIENT** may retain real property acquired or improved under this Agreement after the expiration of the five-year period.
3. In all case in which equipment is acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the **SUBRECIPIENT** for activities under this Agreement shall be (a) transferred to the **CITY** for the CDBG program or (b) retained after compensating the **CITY** an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

4. The **SUBRECIPIENT** shall transfer to the **CITY** any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
5. Real property under the **SUBRECIPIENT'S** control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this agreement. If the **SUBRECIPIENT** fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the **SUBRECIPIENT** shall pay the **CITY** an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the **CITY**. The **SUBRECIPIENT** may retain real property acquired or improved under this Agreement after the expiration of the five-year period.
6. In all case in which equipment is acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the **SUBRECIPIENT** for activities under this Agreement shall be (a) transferred to the **CITY** for the CDBG program or (b) retained after compensating the **CITY** an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment.

R. Terms and Conditions

This CONTRACT is subject to and incorporates the provisions of PART TWO, CONTRACT BUDGET.

### ARTICLE XIII. NOTICES

Communications and details concerning this CONTRACT shall be directed to the following representatives:

- A. CITY:  
Project Manager  
City of Harrisburg, DBHD  
The Rev. Dr. Martin L. King, Jr.  
City Government Center  
10 North Second Street – Suite 206  
Harrisburg, Pennsylvania 17101-1681  
(717) 255-6428

And

B. SUBRECIPIENT:  
Executive Director  
Tri County Housing Development Corporation  
1514 Derry Street  
Harrisburg, Pennsylvania 17104  
(717) 231-3604

**ARTICLE XIV. SEVERABILITY**

If any term or provision of this CONTRACT or the application thereof to any person or circumstance shall to any extent be judicially declared invalid or unenforceable, the remainder of this CONTRACT or the application of such terms or provisions to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this CONTRACT shall be valid and enforceable to the fullest extent permitted by law.

**SIGNATURES APPEAR ON THE FOLLOWING PAGE**

**IN WITNESS WHEREOF**, the parties hereto, being duly authorized, have executed this Agreement as of the date first written above and, intending to be legally bound hereby, have hereunto set their hands and seals.

THE CITY OF HARRISBURG

TRI COUNTY HOUSING  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_ (SEAL)  
Mayor

By: \_\_\_\_\_ (SEAL)

Title: \_\_\_\_\_

By: \_\_\_\_\_ (SEAL)  
City Controller

**ATTEST:**

By: \_\_\_\_\_ (SEAL)

Title: \_\_\_\_\_

**APPROVED AS TO FORM  
AND LEGALITY**

Fed. I.D. # \_\_\_\_\_

By: \_\_\_\_\_  
Law Bureau